

**From:** Jennings, Jannine  
**Sent:** Wednesday, February 19, 2014 4:07 PM  
**To:** Rochlin, Kevin  
**Subject:** FW: Purchase or Lease of Equipment (i.e. a vehicle) via a Superfund Cooperative Agreement  
**Attachments:** Purchasing Equipment Including Vehicles.docx; PO Tip Equipment Prior Approval.pdf; ownv.lease.doc; TO 054 - HLB Data Logger Cost Analysis\_10-18-13.pdf; TO 54 economic analysis of data logger purchase.xlsx; pp-policy-procedures-manual.pdf

Kevin

Here's the info Tamara sent me earlier regarding purchasing vehicles via a Superfund Cooperative Agreement.

Jannine

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**From:** Langton, Tamara  
**Sent:** Friday, January 24, 2014 2:44 PM  
**To:** Jennings, Jannine  
**Subject:** Purchase or Lease of Equipment (i.e. a vehicle) via a Superfund Cooperative Agreement

I've attached several goodies for you to peruse. Apparently there is no one way to prepare a lease vs. purchase analyses. If I find anything else on this, I'll send your way.

- Purchasing equipment including vehicles: In this document I've listed out the requirements for purchasing equipment via a grant or Superfund Cooperative Agreement. Focus on the highlighted passages.
- PO Tip Equipment Prior Approval: This is off the grants website. Quick and dirty.
- Ownv.lease.doc: This is the lease vs. purchase "analysis" that IDEQ put together to purchase vehicles for the Bunker Hill Site. They did the analysis over a three-year time period.
- Data logger attachments: These are cost analysis prepared by CDM and by Elizabeth Pendleton showing purchasing equipment vs. leasing equipment.
- Property Manual: I've attached but you can also look at the below link to get to applicable chapters (most applicable is Chapter 6):

<http://intranet.epa.gov/oa/fmsd/property/pdfs/pp-policy-procedures-manual.pdf>

- Not attached, but below link is guidance on purchasing equipment for managing equipment purchased with assistance funds (aka cooperative agreement funds)

<http://intranet.epa.gov/OGD/policy/7.0-GPI-GPI-02-02.htm>

- Not attached, but below link is a guidance of equipment, too.

[http://intranet.epa.gov/OGD/policy/gpi\\_11\\_02\\_9\\_16\\_11\\_sec.pdf](http://intranet.epa.gov/OGD/policy/gpi_11_02_9_16_11_sec.pdf)

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United States Environmental  
Protection Agency

Office of  
Administrative Services

Facilities Management  
and Services Division

# 4832 EPA Personal Property Policy and Procedures Manual



**EPA Property Management**  
*Ensuring Accountability to  
Safeguard EPA Assets*

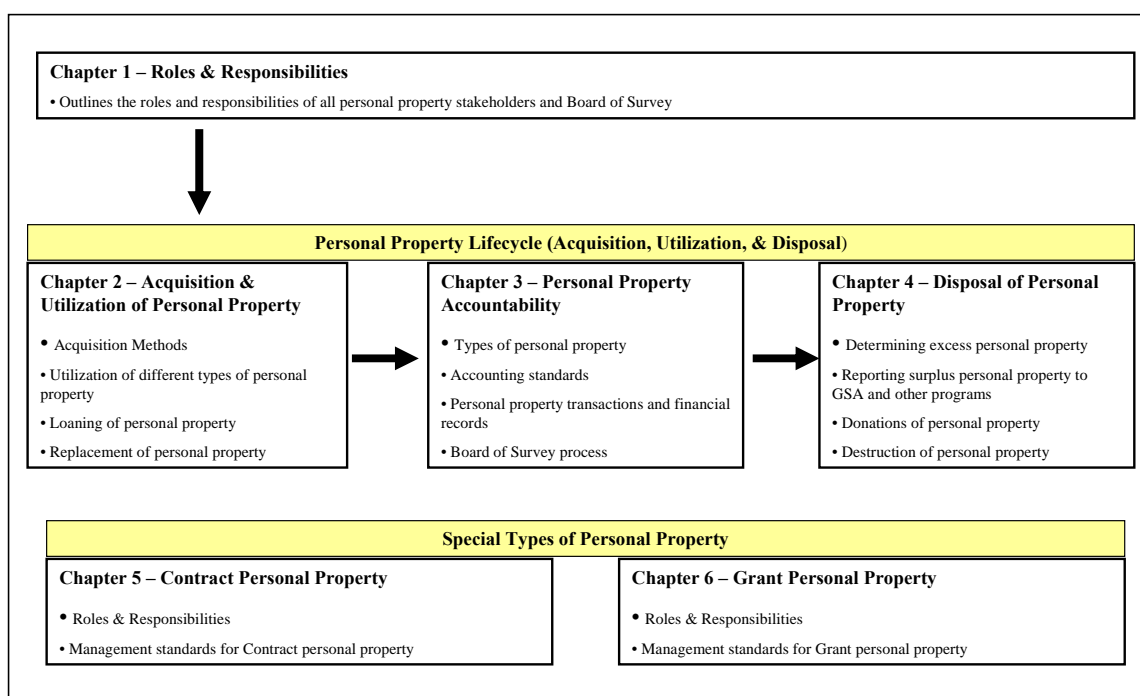
**NOTICE**

This Manual presents a summary of the EPA Personal Property Management Program policies and procedures. It is not meant to be a complete or detailed description of all EPA regulations. For more information concerning specific requirements, consult the sources cited throughout the Manual.

## EXECUTIVE SUMMARY

The *United States Environmental Protection Agency (EPA) Personal Property Policy and Procedures Manual*, hereafter referred to as the “Manual,” is the authoritative reference for EPA’s management of personal property. The Manual presents policy and procedural guidance on personal property management issues for EPA employees and contractors. For the purpose of the Manual, personal property is defined as any property, except real property. References to “the Agency” hereafter refer to EPA. All EPA employees and contractors must adhere to the policy and procedures set forth in the Manual when executing personal property management functions on behalf of EPA. To accomplish these objectives, the Manual comprises six chapters, the contents of which are outlined in Figure ES-1.

**Figure ES-1. Manual Contents**



### Scope and Authority

The Manual is a supplement to those portions of the *Code of Federal Regulations (CFR)* and the *Federal Management Regulations (FMR)* that pertain to the acquisition, management, utilization, physical accounting, and disposal of personal property. It incorporates relevant regulations of control agencies such as the Office of Management and Budget (OMB), the General Services Administration (GSA), and the Government Accountability Office (GAO). Material contained here is based on existing laws, OMB circulars, Executive Orders (EO), and mandatory regulations of control agencies, including the following:

- 40 U.S. Code (U.S.C.) section 501, et seq.;
- FMR, 41 CFR Part 102;

- Federal Acquisition Regulations (FAR) 48 CFR 1-51;
- “Standards for Internal Control in the Federal Government,” U.S. General Accounting Office, GAO/AIMD-00-21.3.1, November 1999;
- “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” (40 CFR Part 30);
- “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (40 CFR Part 31);
- OMB Circular A-102: “Grants and Cooperative Agreements with the State and Local Governments,” as amended;
- OMB Circular A-110: “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Nonprofits Organizations,” as amended;
- Executive Order 12999, “Educational Technology: Ensuring Opportunity for All Children in the Next Century”; and
- Section (i) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710), as amended.

## **Federal Management Regulation System**

Property management regulations are issued by the GSA Administrator and are set forth in the FMR. The Manual supplements the FMR by providing basic policy and procedures governing the personal property management operations of EPA. The FMR may be found on GSA’s Web site, [www.gsa.gov](http://www.gsa.gov).

## **Publication and Distribution**

The Office of Administration and Resources Management (OARM), the Office of Administrative Services (OAS), and the Facilities Management and Services Division (FMSD) publish this Manual. Please address any suggested revisions or questions to:

Environmental Protection Agency  
Agency Property Management Officer  
Facilities Management and Services Division  
Ronald Reagan Building 3204R  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

Changes and modifications to the Manual will be implemented by memorandums after approval from the official EPA Directives Clearance Review. Accountable Areas (AA) will be provided with copies of all updates and correspondence of the Manual for distribution. The Manual also is available on the Property Management Web site, accessed through EPA’s Intranet, (<http://intranet.epa.gov/oas/fmsd/property/>).

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## CHAPTER 1. ROLES AND RESPONSIBILITIES

This chapter sets forth the roles and responsibilities of all parties involved with the Environmental Protection Agency (EPA) Personal Property Management Program. It establishes the authorities, roles, and responsibilities for EPA employees as they pertain to the acquisition, utilization, physical accounting, and disposition of personal property.

The provisions in this document apply to all EPA employees acquiring personal property for their use in-house or by outside organizations through EPA Assistance Agreements and Interagency Agreements (IAG). These provisions also apply to entities outside EPA that are furnished with government personal property from EPA or that are authorized to procure personal property through EPA Assistance Agreements and IAGs.

### 1.1 SENIOR-LEVEL ADMINISTRATORS

This section provides information about senior-level EPA administrators who are responsible for ensuring the efficient and effective implementation and administration of the EPA Personal Property Management Program.

#### 1.1.1 Assistant Administrator—Office of Administration and Resources Management

The Assistant Administrator for the Office of Administration and Resources Management is responsible for providing direction to develop and establish an effective and efficient property management program. The Assistant Administrator's responsibilities include the following:

- Providing guidance for good management practices based on established policies and procedures;
- Evaluating and reviewing property management operations and processes; and
- Assigning responsibilities to specific Property Officers by grants of authority, instruction, and direction.

#### 1.1.2 Director—Office of Administrative Services

The Director of the Office of Administrative Services is responsible for providing guidance for the EPA Personal Property Management Program.

#### 1.1.3 Director—Facilities Management and Services Division

The Director of the Facilities Management and Services Division (FMSD) is responsible for administering the EPA Personal Property Management Program. The Director's responsibilities include the following:

- Serving as the reviewing authority for matters pertaining to personal property management;
- Designating an Agency Property Management Officer (APMO);

- Appointing members to the Board of Survey for Headquarters (Accountable Area [AA]-01);
- Serving as the reviewing authority for AA-01 Board of Survey findings and recommendations.
- Appointing, in writing, a Property Management Officer (PMO), a Property Accountable Officer (PAO), and a Property Utilization Officer (PUO) for AA-01, and forwarding copies of the designation to the APMO;
- Approving annual capitalized personal property inventory reports certified by Senior Resource Officials (SRO) and submitted by the APMO; and
- Preparing and submitting required external reports on behalf of the EPA Personal Property Management Program.

#### **1.1.4 Program/Regional Leadership**

Outside of AA-01, the Director of FMSSD has delegated specific personal property responsibilities to other senior management officials. For the purposes of this Manual and the EPA Personal Property Management Program, Program/Regional leadership is associated with an AA under their authority and includes the following:

- Director of FMSSD;
- Regional Administrators; and
- Assistant Administrators.

The above-named officials may redelegate their authority down to the level of Division Director, or their equivalent, to assume the duties and responsibilities outlined in section 1.1.5. If authority is redelegated, the above-named official must formally notify the APMO of the individual authorized to act on his/her behalf.

#### **1.1.5 Program/Regional Leadership Responsibilities**

Program/Regional leadership responsibilities include the following:

- Administering a sound and effective program for the management of personal property within the AA under their authority;
- Appointing, in writing, a PMO, PAO, PUO, and a Board of Survey (cannot be Property Officers) for the AA under their authority, and forwarding copies of the designation to the APMO;
- Providing notice by memorandum to the APMO with regard to any EPA installation or activity scheduled to be discontinued or to any major program change that would affect the EPA Personal Property Management Program; and
- Serving as the reviewing authority for Board of Survey findings and recommendations.

### **1.1.6 Agency Property Management Officer**

The APMO is responsible for managing the EPA Personal Property Management Program Agency-wide. The APMO's responsibilities include the following:

- Developing policy and issuing directives supporting the EPA Personal Property Management Program;
- Providing leadership and technical assistance to Property Officers;
- Establishing and maintaining policies and procedures that satisfy the requirements of the Manual and the various laws and regulations referenced there;
- Administering a program that ensures the effective accountability, utilization, and disposal of EPA-owned personal property;
- Conducting periodic reviews and evaluations to identify weaknesses in AA personal property management programs and providing recommendations for strengthening AA programs;
- Submitting required personal property management reports within the Agency and externally;
- Ensuring that all accountable personal property is maintained in the Integrated Financial Management System (IFMS); and
- Advising employees of their responsibilities for managing and accounting for government personal property as well as providing training as needed.

### **1.1.7 Senior Resource Official**

SROs are responsible for accounting for and safeguarding capitalized EPA personal property. The SRO's responsibilities include the following:

- Accounting for and safeguarding EPA personal property under their jurisdiction;
- Appointing, in writing, a Program Accountable Representative (PAR) for the Program Office under their authority;
- Managing the annual inventory process for capitalized property for the AA under their authority and providing a Memorandum of Certification to the APMO verifying completion; and
- Reconciling the inventory with the accountable capitalized personal property records and self-certifying that the inventory and reconciliation have been performed.

## **1.2 ACCOUNTABLE AREA PROPERTY OFFICERS**

Accountable Area Property Officers are responsible for managing personal property within their AA and are composed of PMOs, PAOs, PUOs, and Custodial Officers (CO). One PMO, PAO, and PUO will be appointed for each AA. The roles of the PMO, PAO, PUO, and

CO should be assigned to separate individuals if possible. The appointment of an EPA employee as a Property Officer may or may not correspond to the employee's official job title.

### **1.2.1 Property Management Officer**

The PMO is responsible for the effective day-to-day implementation of the personal property management program within his/her AA. The PMO's responsibilities include the following:

- Providing direction, leadership, and general supervision of the personal property management program throughout the AA;
- Ensuring that a Board of Survey is established for his/her respective AA;
- Assisting with the establishment and maintenance of AA procedures and satisfying the requirements of the Manual and the various laws and regulations referenced there
- Defining the areas of responsibility of the Property Officers within the AA;
- Defining Custodial Areas within the AA;
- Ensuring that the AA's personal property management team, composed of a PAO, a PUO, and COs, is established and trained;
- Advising the PAO of inventory schedules and establishing a timeline for completing the annual inventory process;
- Ensuring that required reports are provided to the APMO;
- Assigning jurisdiction, in writing, to PAOs to account for and control all the AA's personal property within their assigned jurisdiction;
- Assisting with the implementation of procedures for the repair and rehabilitation of personal property within their AA;
- Providing PAOs with disposal instructions in accordance with the Federal Management Regulations and EPA's policies and procedures;
- Ensuring that lost, damaged, or destroyed (LDD) personal property is investigated in accordance with the Manual, convening the Board of Survey in appropriate circumstances, and forwarding a summary of Board of Survey findings to the APMO once every fiscal year;
- Issuing certification to COs when training has been completed and ensuring that they are recertified every 3 years;
- Ensuring the accountability and updated maintenance of IFMS; and
- The AA-01 PMO will also serve as the National Utilization Officer (NUO) and shall act as an advisor to all PUOs in matters of personal property management.

### 1.2.2 Property Accountable Officer

The PAO is responsible for ensuring the effective acquisition, management, utilization, and disposal of personal property and overall accountability of IFMS as it relates to personal property. The PAO's responsibilities include the following:

- Updating IFMS to control and account for personal property assigned to his/her AA;
- Entering additions, transfers, and deletions into IFMS in a timely manner, including Board of Survey determinations;
- Ensuring that annual fiscal year inventories are established to inventory all personal property in his/her AA;
- Ensuring COs have current records for accountable property within their assigned Custodial Areas;
- Ensuring COs have the necessary training to successfully perform their property-related tasks;
- Ensuring physical inventories are conducted, records are reconciled, and discrepancies are investigated and resolved;
- Designating, by name or position, those individuals authorized to sign or approve property transaction documents;
- Ensuring that personal property is fully utilized and safeguarded from misuse or theft;
- Ensuring that unneeded personal property is promptly reported as excess;
- Ensuring that EPA Form 1740-12, "Report of Survey," (see Appendix E) is completed for personal property declared LDD and submitted to the PMO for review;
- Coordinating criteria with the PMO for replacing or upgrading over-age equipment; and
- Ensuring that proper EPA decals and bar code labels are affixed to personal property.

### 1.2.3 Property Utilization Officer

The PUO is responsible for promoting the acquisition and profitable use of available excess personal property from known sources, including EPA, the General Services Administration (GSA), and other federal agencies. The PUO's responsibilities include the following:

- Ensuring that excess personal property is used to the maximum extent possible throughout the AA;
- Reporting EPA's excess personal property to GSA;
- Ensuring that IFMS is updated after final disposition of excess personal property;



- Identifying and claiming excess personal property from other federal agencies as part of GSA's screening process to fill current or future authorized requirements in lieu of new procurement; and
- Working with COs to identify unused and unneeded personal property within his/her AA and notifying the PAO to classify it as excess.

#### **1.2.4 Custodial Officer**

The CO is responsible for the proper care, use, accountability, and security of personal property assigned to his/her Custodial Area(s). The CO's responsibilities include the following:

- Maintaining current custodial records for all accountable personal property within his/her assigned Custodial Area(s);
- Reporting immediately to the appropriate security office and PAO any incident when property is declared LDD, submitting a "Survey Report Memorandum" (see Appendix C) to the PAO documenting the circumstances, and notifying his/her supervisor of the action taken;
- Supporting the effort to decal newly procured EPA personal property (including sensitive items), as requested by the PMO or PAO;
- Conducting and verifying the results of physical inventories of the personal property within their Custodial Area(s) as directed by the PMO or PAO, and reconciling discrepancies discovered during inventories;
- Assigning EPA Form 1740-22, "Personal Property Custody Card," (see Appendix E) to EPA employees (see section 2.1.3);
- Verifying the return of all property assigned to employees leaving EPA and advising the PAO to sign the personal property section of the "Employee Separation Checklist" (see Appendix E);
- Issuing EPA Form 1700-9, "EPA Property Pass," or "Hand Receipt" (see Appendix E) to EPA employees (see section 2.2.1); and
- Completing the appropriate sections of EPA transfer forms to document transfers of personal property between Custodial Areas (EPA Form 1740-10, "Property Action Request and Memorandum Receipt," [see Appendix E]) or AAs (EPA Form 1700-7, "Property Receipt and Transfer Document," [see Appendix E]).

### **1.3 OTHER PERSONAL PROPERTY MANAGEMENT STAKEHOLDERS**

#### **1.3.1 Program Accountable Representative**

SROs should appoint a PAR for each Program Office or laboratory within the AA under their authority to assist with the accountability of personal property. The PAR's responsibilities include the following:

- Serving as the central point of contact for his/her respective Program Office or laboratory to assist in resolving issues that require intervention, including responding to Board of Survey requests;
- Supporting the annual inventory process to ensure that it is properly completed within the Program Office or laboratory;
- Assisting with efforts to ensure that all personal property is accounted for within the Program Office or laboratory; and
- Providing a notice by memorandum to the PMO with regard to any EPA installation or activity scheduled to be discontinued or about any major program change that would affect the personal property within that Program Office or laboratory.

### **1.3.2 Board of Survey**

The Board of Survey for each AA shall be composed of three to five members serving three-year terms from organizational elements within each AA. Property Officers are not eligible to serve on the Board of Survey but may act in an advisory capacity if requested. The Board of Survey serves as a fact-finding body charged with determining the circumstances and conditions of each case in which EPA property is declared LDD. The Board of Survey's responsibilities include the following:

- Conducting a thorough investigation and examining all evidence that is presented;
- Providing recommendations to remove property declared LDD from IFMS; and
- Determining whether the employee(s) involved are at fault for the LDD property.

### **1.3.3 Division Directors and Branch Chiefs**

Division Directors and Branch Chiefs, or their equivalent, are responsible for the establishment and continuous enforcement of administrative directives and measures for EPA personal property within their control. They are also responsible for ensuring that personal property is properly acquired, utilized, maintained, and safeguarded and that excess property is properly reported to the PAO and/or CO. Division Directors' and Branch Chiefs' responsibilities include the following:

- Ensuring that proper resources are available to COs to perform their duties;
- Designating, in writing, a CO (and alternate CO if required) for Custodial Area(s) under their authority;
- Working with the PAO to ensure that CO positions are filled at all times;
- Ensuring that accountability procedures are in place for personal property considered nonaccountable;
- Ensuring that personal property is acquired for official government use only and not for personal use; and

- Ensuring that all relocation of personal property or reassignment/relocation of EPA employees is reported to the PAO and/or CO.

#### **1.3.4 EPA Employees**

EPA employees are obligated to abide by the procedures and policies of the EPA Personal Property Management Program as it relates to personal property. EPA employees' responsibilities include the following:

- Properly caring for, handling, utilizing, and being accountable for EPA personal property assigned for their use within or away from an EPA facility;
- Ensuring that personal property in their possession, custody, or control is used only for official authorized duties (except as allowed per EPA Order 2100.3, "Policy on Limited Personal Use of Government Office Equipment");
- Requesting issuance of official property passes when appropriate;
- Obtaining a check-off of the personal property section of the "Employee Separation Checklist" when leaving Agency employment;
- Reporting immediately to the CO and supervisor, any personal property that is declared LDD; and
- Reporting to the CO and supervisor the new and old location of all personal property when moved.

#### **1.3.5 EPA Contractors**

EPA contractors who use, supervise the use of, or have control over government personal property are obligated to properly care for, handle, utilize, and be accountable for government personal property assigned for contractor use within or away from an EPA facility (see Chapter 5 for more information on contract property policies and procedures). EPA contractors' responsibilities include the following:

- Ensuring that personal property in their possession, custody, or control is used only for government purposes and not for personal or private use;
- Requesting issuance of property passes when appropriate; and
- Reporting immediately to their EPA Project Officer and Contracting Officer if any government personal property is declared LDD or moved.

## CHAPTER 2. ACQUISITION AND UTILIZATION OF PERSONAL PROPERTY

This chapter provides information describing how the EPA Personal Property Management Program promotes an effective program for the acquisition, utilization, loaning, transfer, and replacement of personal property.

### 2.1 ACQUISITION OF PERSONAL PROPERTY

#### 2.1.1 Requesting Acquisition of Personal Property

All EPA employees requesting acquisition of existing or to-be-procured EPA personal property must adhere to the policies and procedures for the accountability of that personal property. The PAO will review the request for purchases of capitalized personal property to verify that the property need cannot be filled through EPA's or other federal agencies' excess property inventories.

Prior to purchase, the first source for supply of personal property is the existing inventory within the AA. The next sources, in descending priority, are available excess personal property within EPA and excess personal property available from other federal agencies. Authority to purchase or lease capitalized property will be granted only after it has been determined that excess or other personal property is not available. To view available excess personal property within EPA, PAOs can view all personal property located in Custodial Area "999" in IFMS. The Property Management Database (PMD), a database that pulls information from IFMS and uses it to perform personal property management functions, can also be used to view available excess personal property. For more information on the use of PMD, see the *PMD User's Manual*, accessible on the Property Management Web site (<http://intranet.epa.gov/oas/fmsd/property/>).

#### 2.1.2 Requesting Acquisition of Leased Personal Property

EPA is permitted to lease certain personal property within the current EPA leasing guidelines and orders. Leased personal property must adhere to the same policies and procedures for the accountability of EPA-owned personal property and will be accounted for as nonexpendable personal property.

#### 2.1.3 Assigning Custody Cards

EPA Form 1740-22 should be used to document the assignment of personal property to an EPA employee when appropriate (e.g., laptops, cell phones, personal digital assistants [PDA]). EPA Form 1740-22 should be completed by the CO and signed by the employee, acknowledging responsibility for the property listed on the card. The CO should maintain all custody cards on file.

## **2.2 UTILIZATION OF PERSONAL PROPERTY**

### **2.2.1 Off-Site Utilization of EPA Personal Property**

EPA employees are permitted to use EPA-owned personal property to work off-site when authorized by their manager or supervisor, but such employees are subject to EPA standards for control over records, personal property, and personnel. EPA retains ownership of all equipment, peripherals, and software taken off site. All files, records, paper, or machine-readable materials created using EPA personal property are also to be considered EPA property.

Several methods exist for authorizing the off-site use of EPA personal property based on the duration of time the property will be used off-site. Short-term property passes should be issued to those employees who need to use EPA personal property off-site for up to 10 working days. In this case, a CO can complete EPA Form 1700-9, ensuring that the employee understands and signs that he/she is personally responsible for returning the property in the condition in which it was received. A “Hand Receipt,” which is a property pass issued using PMD, can also be used.

A long-term property pass can be issued in cases in which an employee regularly removes EPA property from an EPA facility and returns it on a daily basis. For example, if an employee regularly takes a laptop to use at home and returns it the next day, a long-term property pass is appropriate. The official EPA Form 1700-9 or “Hand Receipt” should be used to document long-term property passes and should be laminated to maintain durability. The employee must sign off on the property pass to acknowledge receipt for the items. A long-term property pass is valid for 1 year and must be recertified every year by the PAO. In the case of long- or short-term property passes, the official EPA Form 1700-9 or “Hand Receipt” must be displayed on the property at all times, and the employee should notify his/her supervisor of the situation.

EPA employees requesting the use of EPA property off-site for longer than 10 days must receive written approval from their manager or supervisor in the form of an “Off-Site Use Request” (see Appendix C) before submitting it to the PAO in the AA where the personal property is located. The “Off-Site Use Request” must include the following information and must be renewed annually:

- Complete name, address, phone number, badge number, and e-mail address of the person requesting use of the personal property;
- Location and address where the personal property will be used;
- Full description of each item of personal property to be taken off-site including manufacturer’s name, serial number, EPA decal, and model number;
- Duration of time the personal property will be used off-site;
- Detailed explanation of the purpose of and advantages resulting from using EPA personal property off-site; and
- Custodial Area in which the personal property is assigned.

Upon approving the request, the PAO will obtain the user's signature before authorizing the personal property to be taken off-site. The record of receipt must remain on file with the PAO until the personal property is returned to EPA.

Upon request, the employee will make the personal property available for inspection and inventory purposes to the PAO or a designee. In addition, any employee(s) using the personal property must notify the PAO when the personal property has been returned to EPA and must make the personal property available to the PAO or a designee before the record of receipt is cleared.

### **2.2.2 Utilization of Employee-Owned or Employee-Leased Property in EPA Facilities**

EPA's policy permits employees to use employee-owned or employee-leased property in performing their official duties in EPA facilities subject to the controls over records, personal property, and personnel as described here. The use of employee-owned or employee-leased property must be approved by the PMO and the employee's supervisor before the employee is allowed to bring the personal property into an EPA facility. An official property pass (EPA Form 1700-9 or "Hand Receipt"), issued by the CO, must be displayed on the property while it is being used at an EPA facility. If a property pass is not displayed on the property, security personnel are authorized to seize the equipment.

To issue an official property pass for the employee-owned or employee-leased property, a Memorandum of Agreement (MOA) (see Appendix C) must be created by the possessor of the property, endorsed by his/her manager or supervisor, and submitted to the AA's PAO in the area where the employee-owned or employee-leased property will be used. The MOA must include the following information:

- Complete name, address, phone number, and badge number of the possessor of the personally owned or personally leased property;
- Full description of each personal property item to be brought into the facility, including manufacturer's name, serial number, and model number;
- Duration of time the personal property will be used;
- Advantages to EPA resulting from the use of employee-owned or employee-leased property.

A copy of the signed MOA will be provided to the appropriate manager or supervisor. The PAO should be notified in writing by the manager or supervisor of the owner of the employee-owned or employee-leased property when the personal property will be removed.

With regard to employee-owned or employee-leased property, EPA is responsible for the following:

- Providing necessary space and electrical power to the extent that electrical hookups already exist;
- Retaining a signed copy of the MOA and all supporting documentation; and

- Issuing a written cancellation of the MOA by the PMO upon notification that the personal property has been removed from EPA's facility.

In the case of proprietary information, the owner of the personal property must ensure that any government files and records created will remain accessible to the Government as needed, regardless of whether the employee-owned or employee-leased property remains at the facility, is removed, or becomes inoperable. The owner also must ensure that private and government ownership and accountability are not mixed. Hardware, software, peripherals, and other personal property that EPA owns must be identified as such and not be installed in the employee-owned or employee-leased property unless approved by his/her manager or supervisor. EPA's liability in cases of loss, theft, damage, or destruction of employee-owned or employee-leased property will be in accordance with Title 40 of the Code of Federal Regulations CFR Part 14, "Employee Personal Property Claims."

When handling employee-owned personal property of a sensitive nature, such as desktop and laptop computers, basic controls must be filled to ensure a secure environment that integrates confidentiality, availability, and integrity into the infrastructure design, implementation, maintenance, and disposal of such sensitive items. For information on those controls, users of employee-owned personal property should refer to the Agency Network Security Policy, EPA Order 2195.1 A4.

## **2.3 LOANING PERSONAL PROPERTY**

### **2.3.1 Loaning EPA Personal Property**

Per the guidance provided by the GSA-facilitated Interagency Committee for Property Management's (ICPM) *Loan Policy Guide*, this section sets forth EPA's policy as it relates to loaning its personal property. Loans of EPA personal property (except EPA-leased personal property, unless specifically allowed by the lease terms) can be made available for official purposes to other federal agencies, state and local governments, nonprofit organizations, and organizations that have a valid federal treaty or international agreement. Loans should be made only to contractors in accordance with FAR Part 45 under emergency or special circumstances and only under the authority of the contract.

Regardless of what entity borrows EPA personal property, several considerations must be evaluated by the PMO before approving the loan:

- Nature of the property being loaned;
- Purpose of the loan; and
- Borrower's ability to control the loaned property.

The PMO should review the borrower's property management system to ensure that it is sufficient to maintain and adequately track the location and condition of the property to be provided under the loan agreement. The PMO should consider the following other factors:

- Borrower's day-to-day ability to manage and control the loaned property;

- Borrower's ability to reimburse EPA in the event of loss, damage, or needed repairs; and
- Borrower's inventory control procedures.

Loans of hazardous material or potentially hazardous material, and the proliferation of sensitive or export-controlled property may require coordination with EPA's Office of Solid Waste and Emergency Response (OSWER), EPA's Office of Prevention, Pesticides and Toxic Substances (OPPTS), GSA, or other federal agencies as applicable.

The title to all loaned property remains with EPA. IFMS must be updated to reflect the property's location, and the loan documentation must be maintained. Loaned property should be tracked in IFMS and included in all inventories. Before release of the property, confirmation that it is properly decayed should be completed.

All loans to nonfederal entities shall be recorded and reported in accordance with FMR 102-36.295 on the "Non-Federal Receipt Report," which is the annual report of property furnished to nonfederal recipients.

### **2.3.2 Recording the Loaning of EPA Personal Property**

All loans of EPA personal property must be properly documented to ensure accountability. A Revocable License Agreement (RLA) (see Appendix C) is used as the official document to record loans of EPA personal property. Along with the RLA, a more detailed written certification, a "Personal Property Loan Agreement" (see Appendix C), must be prepared. This agreement must be signed by the PMO and endorsed by the Division Director or Branch Chief, or the equivalent, under whose authority the property lies. The following information must be included in the "Personal Property Loan Agreement":

- Purpose of the loan;
- Direct and indirect benefits to be realized by EPA;
- Full description of the loaned property, including property decal number, serial and model numbers, manufacturer's name, acquisition cost, and date of acquisition;
- Present condition of the property;
- Full name and address of the proposed borrower and name and title of the responsible official authorized to sign for the borrower (for the RLA);
- A loan-termination clause at the convenience of EPA;
- Verification that the borrower maintains a property inventory control system that can properly account for and track the loaned property;
- The duration of the loan; and
- Party responsible for all transportation and documentation expenses.



The loan will be valid for not more than 1 year. If the loan is still required past the initial loan duration, the loan agreement (including any new provisions) may be extended, recertified, and reissued, but it cannot exceed 5 years from the initial date of the loan.

An exception to the above requirements will be made for loans of less than 45 calendar days to another federal agency. This type of loan can be recorded on an EPA Form 1740-10 instead of an RLA. Along with this form, a “Personal Property Loan Agreement” must be completed and signed as described previously.

### **2.3.3 Special Circumstances for Loaning EPA Personal Property**

In accordance with FMR 102-36.370, special requirements exist concerning the loaning of EPA personal property for disaster relief. Upon the declaration by the President of an emergency or a major disaster, EPA may loan excess personal property, with the approval of the PMO and APMO, to state or local governments, with or without compensation and before reporting it as excess to GSA, to alleviate suffering and damage resulting from any emergency or major disaster. A special tracking system must be established to account for any property loaned under this circumstance.

### **2.3.4 Personal Property Loaned to EPA**

EPA can borrow personal property by the same process that it loans out. The PMO must approve all loans of this type. This action is accomplished by means of a “Personal Property Loan Agreement” and an EPA Form 1740-10 for all loans from a federal agency of less than 45 calendar days; a “Personal Property Loan Agreement” and an RLA must be used in all other circumstances. The “Personal Property Loan Agreement” must include the following:

- Lender’s complete name, address, and phone number;
- Full description of each item to be loaned, including manufacturer’s name, serial number, and model number;
- Current market value of the property;
- Duration of the loan;
- Party responsible for necessary repairs and maintenance for continued use of the property during the loan period;
- Confirmation as to which party (lender or EPA) is responsible for delivery of the property; and
- Custodial Area in which the personal property will be located.

The borrowed property must be decaled and entered into IFMS by the PAO. The property then shall be accounted for by the CO assigned to the Custodial Area where the property will be located. Any loan of personal property to EPA from a nonfederal agency must adhere to the strictest ethical Federal Government guidelines.

## **2.4 TRANSFERRING EPA PERSONAL PROPERTY**

### **2.4.1 Transferring EPA Personal Property**

When a Program determines that property is no longer required for the purpose for which it was acquired or for the use to which it has been applied, the PUO and CO shall be notified, and the property will be classified as excess. Personal property classified as excess will be made available to other Custodial Areas within the same AA and other AAs as part of the 15-day intra-agency screening process before it is reported to GSA as excess to EPA (see section 4.2 for more information about the excess process). If excess personal property is claimed during the intra-agency screening process, it will be transferred by taking the following steps:

- If the property is to be transferred to another Custodial Area within the same AA, an EPA Form 1740-10 should be completed;
- If the property is to be transferred to another AA, an EPA Form 1700-7 should be completed; and
- The receiving PAO updates IFMS to reflect the transfer into the receiving Custodial Area.

The transfer must also meet the following conditions:

- The receiving CO becomes accountable for the newly received property;
- Transfers of excess property within EPA will be without reimbursement; and
- Direct costs incurred for a transfer (e.g., packing, preparation for shipment, loading, transportation) will be incurred by the receiving AA.

PMD may also be used to request a transfer of property between Custodial Areas of the same AA or to other AAs. Refer to the *PMD User's Manual*, accessible on the Property Management Web site, for more information about using PMD to transfer property.

If excess personal property was purchased with money from the Superfund Trust Fund and is being transferred within the Agency for use other than for a Superfund project, the receiving AA must reimburse the Superfund Trust Fund with funds equivalent to the fair market value of the property.

## **2.5 REPLACEMENT OF PERSONAL PROPERTY**

### **2.5.1 Replacement Standards of Personal Property**

If EPA has personal property that needs to be replaced, it can exchange or sell that property and apply the exchange allowance or sales proceeds to the acquisition of similar replacement property, in accordance with the requirements of FMR 102-39, "Replacement of Personal Property Pursuant to the Exchange/Sale Authority." Using the exchange/sale process enables EPA to avoid the costs (e.g., administrative, storage) associated with holding the property and processing it through the normal disposal cycle (e.g., reutilization by other federal agencies, donation to eligible nonfederal public or nonprofit organizations, sale to the public,

abandonment, or destruction). Consideration will be given to using replacement standards when the cost of any single repair or rehabilitation job exceeds 65 percent of the replacement cost of information technology (IT) equipment and 80 percent of the replacement cost of a comparable new model of non-IT equipment. Consideration should also be given when written justification exists for supporting replacement such as the following:

- History of continuous breakdowns that cause a loss of productivity through downtime;
- Excessive repair costs;
- Excessive downtime awaiting repair parts; or
- Requirement to update in order to perform a particular agency function.

### **2.5.2 Replacement Standards of Leased Personal Property**

If leased personal property needs to be replaced, the PMO should notify the vendor to exchange that property with similar replacement property. Consideration should also be given when written justification exists for supporting replacement such as the following:

- History of continuous breakdowns that result in loss of productivity through downtime;
- Excessive downtime awaiting repair parts; or
- Requirement to update in order to perform a particular Agency function.

## **CHAPTER 3. PERSONAL PROPERTY ACCOUNTABILITY**

This chapter establishes policies for the accountability and control of personal property and general requirements to be followed in establishing and maintaining programs for property accountability.

### **3.1 RECORDS AND FINANCIAL ACCOUNTS**

#### **3.1.1 Integration of Personal Property Records and Financial Accounts**

Effective personal property accounting requires an integration of personal property records and financial accounts. EPA and federal regulations require accurate financial records of all accountable personal property. The requirements for achieving such accountability are as follows:

- Monetary control of capitalized personal property must be established and maintained in IFMS so that these accounts summarize the investment in, and the depreciated value of, fixed assets for which EPA is responsible and the current value of accountable personal property for which inventory will be maintained;
- Common classifications must be used for accounting and property management purposes and shall identify types of personal property for which reports of property value must be regularly reported to Congress or other federal agencies;
- Identifiable excess personal property must be controlled through a separate custodial account within IFMS, i.e., Custodial Area “999”;
- Personal property management procedures must be fully coordinated with personal property accounting procedures. Procurement, personal property management, records maintenance, and related accounting operations should be integrated in such a manner that entries to IFMS can be accomplished from the same document;
- Each AA’s personal property records must be maintained in IFMS, thus providing all needed data for effective personal property management (e.g., location, procurement, utilization, disposal; and
- Original documents pertaining to the acquisition of personal property and its cost must be retained for 5 years or the life of the item, whichever is greater.

### **3.2 ACCOUNTING FOR DIFFERENT TYPES OF PERSONAL PROPERTY**

#### **3.2.1 Accountable Personal Property**

Accountable personal property is defined by the EPA Personal Property Management Program as follows:

- Personal property with an acquisition cost of \$5,000 or more, all leased personal property, and sensitive items as defined in section 3.2.7 (regardless of dollar value). COs are still responsible for the accountability of personal property not meeting these classifications; and

- Capitalized personal property with an acquisition cost of \$25,000 or more (see section 3.2.5).

All accountable EPA personal property is accounted for and tracked using IFMS. The dollar threshold of \$5,000 for accountable personal property cannot be revised upward or downward unless specifically approved by FMSD.

### **3.2.2 Classification of Accountable Personal Property**

Property can be classified under two separate criteria. PAOs have responsibility for control of all accountable personal property within an AA and maintenance of official property records. For accounting purposes, personal property must be classified as accountable and/or capitalized. Property can also be classified according to the type of property, expendable or nonexpendable, and treated as described in the following paragraphs.

#### **3.2.3 Expendable Personal Property**

Expendable personal property, regardless of cost or dollar value, is defined as personal property that is consumed, loses its identity, or becomes an integral part of other property and is charged to an expense account either when it is issued for use or at the time of receipt.

#### **3.2.4 Nonexpendable Personal Property**

Nonexpendable personal property, regardless of cost or dollar value, is defined as personal property that has a normal life expectancy of more than 1 year, has continuing use as a self-contained unit, is not consumed in use, does not lose its identity when put to use, or does not ordinarily become a nonseverable component of other personal property.

#### **3.2.5 Capitalized Personal Property**

Capitalized personal property is defined as nonexpendable personal property with an acquisition cost of \$25,000 or more and a normal life expectancy of 2 years or more, is charged to an asset account (general ledger control account), and is accounted for during its life. The dollar threshold of \$25,000 for capitalized property cannot be revised upward or downward unless specifically approved by the EPA Office of the Chief Financial Officer (OCFO). Exceptions to this threshold exist, such as office partitions and free storage shelving, which are not capitalized regardless of cost. Check with the APMO for further guidance.

#### **3.2.6 Noncapitalized Personal Property**

Noncapitalized personal property is defined as nonexpendable personal property with an acquisition cost of \$25,000 or less, which has a value charged to an expense account in the general ledger, either when it is issued for use or at the time of receipt and is accounted for during the life of the property.

#### **3.2.7 Sensitive Items**

Sensitive items, which are nonexpendable items (EPA owned or leased) that may be converted to private use or have a high potential for theft, must be recorded and controlled as

accountable property. This type of accountability requires property to be tracked throughout its life cycle regardless of cost or value. Thus, EPA has established the sensitive items list as follows:

- Desktop computers (central processing unit [CPU] only);
- Laptop computers;
- Projectors;
- PDAs (e.g., BlackBerries, Palm Pilots);
- Cellular telephones;
- Video cameras;
- Digital cameras;
- Copiers;
- Televisions;
- Electronic recording equipment (e.g., videocassette recorder [VCR], digital versatile disc [DVD]);
- Scanners;
- Global Positioning System (GPS) equipment;
- Electronic meters (e.g., gas, air flow, ozone, pH, light, sound, conductivity, chlorine);
- External zip drives/portable disk drives;
- External compact disc (CD) burners;
- Firearms; and
- Medical and other technical equipment (e.g., polygraph systems, spirometers, automatic external defibrillators).

PAOs and COs are responsible for the accountability of sensitive items and should use proper documentation (i.e., property passes/hand receipts, custody cards, decals) to track all sensitive items. For guidance in disposing of these items, refer to Chapter 4. Electronic items not considered sensitive items should be disposed of according to Federal Electronics Challenge (FEC) guidelines, and the disposition of those items should be recorded to ensure accurate reporting of EPA's compliance with FEC.

### **3.2.8 Leased Personal Property**

Leased personal property is considered nonexpendable personal property EPA has acquired through a lease from an entity following the current EPA leasing guidelines and orders. For the purposes of accountability, all leased property shall be considered accountable personal property.

### **3.2.9 Pricing Purposes for Accounting**

Determination of the cost to be used in recording personal property in the appropriate accounts is an essential element of personal property accounting. Establishing standards and methods used in determining personal property cost is a function of EPA's financial accounting activities. To the extent that personal property management activities are required to reflect cost on personal property records and transaction documents, these activities should use pricing instructions provided by OCFO.

### **3.2.10 Depreciation of Personal Property**

The primary purpose of depreciation is to distribute the cost of capitalized assets over their useful life to activities benefiting from their use. EPA is required to recognize and record depreciation on all capitalized property assets based on the useful life of the asset. The OCGO is responsible for establishing standards and methods for depreciation. Personal property management activities will ensure that personal property records contain such information as required for depreciation purposes.

## **3.3 PROPERTY TRANSACTIONS AND DOCUMENTATION**

### **3.3.1 Policy for Property Transaction**

EPA policy mandates that all transactions affecting personal property accounts and records be recorded on appropriate documents and posted in a timely manner. PAOs should designate, by name or position, those individuals authorized to sign or approve property transaction documents and shall notify the PMO of these designations.

### **3.3.2 Receipts of Personal Property**

All receipts of personal property must be documented, whether such personal property is acquired from government or commercial sources, recovered, or obtained by transfer from another federal agency. Personal property received through the aforementioned methods should be recorded on a receiving report log to provide a data entry document to support the accounts and records. The report log will substantiate the purchase order and/or transfer order form. PAOs will establish prescribed accountability records for all accountable property acquired immediately upon receipt of documents evidencing the receipt of such property.

### **3.4 PURCHASE CARD TRANSACTIONS**

#### **3.4.1 Purchase Card Procedures**

U.S. Government Purchase Card procedures have been established to provide EPA employees with instructions for the proper use of the card for purchases of up to \$2,500 per item (some contracting officers are authorized to have higher limits). Guidance on procedures for the proper use of U.S. Government Purchase Cards, preparation of the "Purchase Request Form," and the purchasing activities of the EPA Office of Acquisition Management (OAM) can be found in Chapter 13 of the *Contracts Management Manual* (CMM). The procedures outlined in CMM apply to all cardholders who are EPA employees and will ensure compliance with property accountability practices under the Purchase Card Program.

#### **3.4.2 Purchase Cardholder Responsibilities**

When purchasing equipment for EPA purposes, regardless of cost, the cardholder is responsible for ensuring the following:

- Items are not available from EPA excess (with assistance from the PUO);
- Items are not available from other federal agencies' excess (with assistance from the PUO);
- Items are not restricted for purchase by cardholders;
- Special approvals are obtained before purchase (e.g., required safety notices);
- Purchased items do not involve trades/exchanges of property; and
- Purchases of accountable personal property are reported to the PAO and/or CO so the property can be properly decayed and accountability records can be established in IFMS.

Responsibility for documenting receipt of the purchase and for follow-up of any discrepancy with the purchase rests with the cardholder, who is also required to have an independent third party verify delivery of the items ordered. See CMM for further information about using a purchase card.

### **3.5 REMOVAL AND ADJUSTMENTS OF PERSONAL PROPERTY**

#### **3.5.1 Removal of Personal Property from an Accountable Area**

All actions that remove accountable personal property from an AA's records in IFMS must be documented with approved forms and recorded in a voucher log. Removal actions include transfers to other AAs, transfers to other federal agencies, transfers to state or local governments, returns to the lessor, and disposal.

Transfers of property to other AAs must be documented on EPA Form 1700-7 or other forms approved for this purpose by the APMO. Transfers of excess property to other federal



agencies shall be documented on GSA Standard Form (SF)-122, "Transfer Order Excess Personal Property," (see Appendix E) or any other transfer order form approved by GSA. Transfers of surplus property to state or local governments shall be documented on SF-123, "Transfer Order Surplus Personal Property" (see Appendix E). The process of loaning property to other federal agencies, state, or local governments must follow procedures outlined in sections 2.3.1 and 2.3.2, respectively. Chapter 4 addresses required documentation for proper disposal of EPA personal property.

### **3.5.2 Adjustments to Records and Accounts of Personal Property**

When discrepancies exist between property accountability records and property financial accounts, prompt action must be taken to correct record balances, which must be properly documented. Adjustments must be documented by the PAO, and the PMO must approve the adjustment before updating IFMS. If misappropriation of property is suspected, the Board of Survey should be convened as prescribed in section 3.8.3.

## **3.6 AGREEMENTS FOR PERSONAL PROPERTY**

### **3.6.1 Interagency Agreements for Personal Property**

Personal property provided to or acquired by other federal agencies with EPA funds must be authorized in an IAG. The IAG must specify whether the title is to be vested with EPA or the other agency. Generally, the property will be acquired by that agency with no further accountability or obligation to EPA unless the exceptions listed below are met:

- Property was originally acquired through Superfund appropriation, in whole or in part; and
- EPA Program Office determines that it is in EPA's best interest to retain title to the property.

If EPA and another agency jointly acquire property, the conditions governing the property will be mutually determined. If the property title remains with EPA, a PMO will be designated as a special condition to the IAG to administer the property. EPA requirements for approval, title, control, and disposal must be followed. At the end of the project period, or when the property is no longer needed for the project, the property must be returned to EPA. The Program Office must coordinate a loan request by writing a memorandum to the PMO. The property must be incorporated into the IAG and will include the following:

- Full description of the property, including manufacturer's name, serial number, and model number;
- EPA decal number;
- Present condition of the property;
- Acquisition cost;
- Planned duration of the loan; and

- Specific statement as to the individual responsible for maintenance, repair, transportation, and restoration costs.

For more guidance on IAGs, refer to the Office of General Counsel (OGC).

### **3.6.2 Assistance Agreements for Personal Property**

State or local governments operating under an EPA Assistance Agreement may purchase EPA personal property with the recipient's funds. EPA will charge a fee or claim a depreciation allowance for the time the property is used. This fee will be based on a calculated usage charge (i.e., cost per hour of operation) and other relevant factors. Once the charge rate is agreed on by both parties, this rate can be applied in every project for which the specific piece of property will be used. The usage rate must be determined before the property is purchased. Personal property, provided or acquired by a recipient of an Assistance Agreement, must be authorized in an agreement. When a recipient of an Assistance Agreement acquires or is provided with property, funded in whole or in part with EPA assistance funds, the recipient must do the following:

- Use the property for an EPA-assisted project for which it was acquired for as long as the property is needed, regardless of whether the project continues to be supported with EPA funds; and
- Comply with EPA requirements for acquiring, managing, and disposing of personal property.

The Project Officer must approve any use of federally owned property authorized to be furnished in the Assistance Agreement. At the official's request, the Project Officer will verify the availability of federally owned property before purchase with the Assistance Agreement fund. The title to the acquired property will vest with the recipient, unless specified in the Agreement. Although the title to the property vests with the recipient, EPA has an interest in the property and the right to transfer title from the recipient. EPA reserves the right to transfer recipient-owned nonexpendable property having a unit fair market value of \$5,000 or more to the Federal Government or a third party within 120 calendar days after project completion. EPA must document its right to transfer by identifying the property in the Assistance Agreement or by notifying the recipient in writing no later than 120 calendar days after project completion.

If the property is acquired by a recipient's contractor with EPA funds, the contract must identify whether the title vests with EPA as the recipient, or the contractor, and must state the appropriate provisions for vesting title. If the title vests with the recipient or EPA, the contractor must comply with EPA standards for property management. If EPA exercises its right to transfer title from a non-EPA agency back to EPA, the PAO must ensure that the property is received, decaled, and entered into IFMS.

For more guidance on Assistance Agreements, refer to OGC.

### **3.7 RECONCILIATION OF PERSONAL PROPERTY ACCOUNTABILITY RECORDS AND FINANCIAL ACCOUNTS**

#### **3.7.1 Reconciliation of Personal Property Records**

Property accountability records must be reconciled annually with the financial control accounts in accordance with procedures established by OCFO and OARM. Adjustments required as a result of such reconciliation shall be documented as prescribed in section 3.5.2 and must be posted promptly to the appropriate records and accounts.

#### **3.7.2 Policy of Personal Property Accountability**

PAOs must maintain personal property control and accountability within IFMS unless the APMO has authorized a waiver to allow others to access the system.

#### **3.7.3 Establishment and Maintenance of Control and Accountability**

Control and accountability of accountable personal property shall be established in IFMS upon receipt of such property and must be maintained until disposal of the property. All actions affecting the control and accountability of accountable property must be supported by appropriate authorized transaction documents, as prescribed in section 3.5.2.

#### **3.7.4 Records of Accountable Personal Property**

Accountable personal property should be recorded on an item-level basis (i.e., each individual item is a separate record). However, when considered advantageous to do so, records for some items may be maintained on a system-level basis. Records of accountable personal property must contain the following:

- EPA decal number;
- Item description;
- Serial number;
- Detailed location of the personal property item; and
- Cost and other data required to support the financial accounts.

A system-level method of personal property records may be used under the following conditions:

- Two or more individual items (equipment components) are part of a system; and
- The system is considered to be incomplete or inoperable in the absence of any one of its component equipment items. Under the system-level method, the entire system may be recorded as a single record unit.

### **3.7.5 Custodial Control of Accountable Personal Property**

The appropriate number of COs to handle accountable property for any given AA is left to the discretion of the PMOs, and Division Directors and Branch Chiefs, or their equivalent. PMOs should also maintain, for each CO, signed listings or documents that evidence the assumption of custodial responsibility by COs. COs must do the following:

- Obtain or establish adequate records to control personal property for which they are responsible;
- Maintain records of the signed EPA Form 1740-22, evidencing assignment of personal property to individual employees acquired via purchase card and procurement requests; and
- Verify the return of all property assigned to employees leaving EPA, and advise the PAO to sign the personal property section of the "Employee Separation Checklist."

See the *Custodial Officers' Guide* for additional information about the duties and responsibilities of COs.

### **3.7.6 Marking of Accountable Personal Property**

All government accountable personal property must be identified with an EPA decal that has a bar code to identify it as EPA property. See the *Custodial Officers' Guide* for further guidance.

### **3.7.7 Physical Inventories of Personal Property**

Physical inventories of accountable personal property are scheduled by the PAO for each AA and must be completed annually. The APMO and OCFO coordinate the establishment of schedules and procedures for taking inventories for capitalized personal property. Required adjustments must be documented as prescribed in section 3.5 and posted promptly to the appropriate records and accounts. The PAO is responsible for assisting COs in conducting physical inventories, and the Symbol bar code scanner should be used to efficiently upload scanned information to IFMS. A CO is responsible for taking a physical inventory of personal property assigned to his/her Custodial Area. The AA's PMO must approve exceptions to this policy. See the *Custodial Officers' Guide* for more information about the inventory process.

## **3.8 BOARD OF SURVEY**

### **3.8.1 Establishment of the Board of Survey**

The PMO must work with Program/Regional leadership to ensure that the full Board of Survey is appointed in his/her AA. The Board of Survey consists of three to five members, one of whom will be designated as chairperson, and the final approved list must be submitted to the APMO. All members are required to serve a 3-year term and must be recertified annually. Property Officers are not eligible to serve on the Board of Survey but may act in an advisory capacity if requested. Each Board member is responsible for exercising independent judgment free from influence by recommendations or suggestions of other Board members, other EPA

employees, or their supervisors. Findings should be based on actual investigations, review of pertinent documents, and consideration of all available evidence.

### **3.8.2 Submitting a Report of Survey**

In any case in which property is discovered to be lost, damaged, or destroyed (LDD), the CO for the Custodial Area where the property is assigned must notify the appropriate security office and PAO/PMO as soon as possible. The CO must then prepare a "Survey Report Memorandum" describing the circumstances of the LDD and submit it to the PAO; the CO must also advise the supervisor of the action taken. After a thorough determination that the property in question is LDD, the PAO shall use the "Survey Report Memorandum" to prepare EPA Form 1740-12 and submit both documents to the PMO, who shall decide whether to convene the Board of Survey based on the factors outlined in section 3.8.3.

### **3.8.3 Convening the Board of Survey**

After review of the "Survey Report Memorandum," EPA Form 1740-12, and any other relevant facts, the PMO will determine whether to convene the Board of Survey. The Board of Survey must be convened based on the following circumstances:

- Cases involving accountable personal property;
- Cases involving nonaccountable personal property and willful intent or gross negligence of the involved employee(s) was known or suspected to be the cause of the LDD;
- Cases involving nonaccountable personal property, even if there is no reason to suspect neglect, misuse, or theft, but inventory discrepancies do exist. The Board of Survey will not be required to be convened under this scenario if the PMO certifies in writing that the circumstances clearly indicate that a review is unwarranted and that, upon review, the Board of Survey agrees with the PMO's findings. The PMO must submit this report to the APMO for his/her records.

Recurring irregularities in a single location or personal property account, regardless of the circumstances or the PMO's certification, must be referred to the Board of Survey for investigation.

### **3.8.4 Responsibilities of the Board of Survey**

The Board of Survey serves as a fact-finding body charged with determining the circumstances and conditions of each case in which EPA property is declared LDD. The Board must ensure that facts are fully disclosed, government interests are fully served, and the rights of the employee(s) involved are fully protected. Examination of all contributory evidence surrounding the occurrence of the LDD of EPA personal property shall include but not be limited to the following:

- "Survey Report Memorandum" describing the CO's account of the circumstances of the LDD;
- EPA Form 1740-12 listing relevant property data;

- Interviews with Property Officers;
- Interviews with EPA employee(s) assigned responsibility for the property and/or their supervisor, if applicable;
- Interviews with other EPA employees involved with, or knowledgeable about, the circumstances of the LDD; and
- Police reports, accident reports, photographs, other investigative reports, or any other relevant evidence.

After thorough review of the case, the Board shall make recommendations as to the following:

- Whether the property in question should be removed from accountability records in IFMS; and
- If the findings reveal that there was neither negligence nor willful misconduct on the part of the employee(s) involved, then the Board can make a recommendation to find the employee(s) involved to be **not at fault**; or
- If the findings reveal that there was negligence or willful misconduct on the part of the employee(s) involved, the Board can make a recommendation to find the employee(s) involved to be **at fault** for the Government's loss.

Whenever there are dissenting opinions among Board of Survey members, the majority opinion will be the Board's recommendation. The minority view will be appended to the report to the PMO.

At any time during the investigation of the case, if the Board believes that theft or fraud may have occurred, the Board will recommend to the PMO, who will coordinate with Program/Regional leadership, to refer the case to EPA's OIG for further investigation.

### 3.8.5 Finding of Fault

The Board will use the following guidelines to make its recommendation that the employee(s) involved be found to be at fault:

- That the LDD was attributable to inadequate supervision or instruction or inherent defects in the property;
- That the LDD came as a result of personal property being used for reasons other than official authorized purposes (except as allowed per EPA Order 2100.3, "Policy on Limited Personal Use of Government Office Equipment");
- That the LDD was attributed to simple or ordinary neglect or negligence, which is an act or failure of the employee(s) involved to exercise the degree of precaution, attention, and vigilance needed to protect government interests; or

- That the LDD was attributed to gross negligence, which is an act of omission showing a reckless disregard for property, or to willful negligence of the employee involved.

### **3.8.6 The Board of Survey's Findings and Recommendations**

The Board's findings and recommendations must be documented on the originally submitted EPA Form 1740-12 and shall be comprehensive, as required by the type of case being reported, in determining the following:

- Circumstances of the LDD;
- Action(s) taken to find or repair the property, as applicable;
- Action(s) taken by security or law enforcement officers, if any;
- Recommendation for disposition ,i.e., removal from IFMS; and
- Recommendation of involved employee's fault.

The Board's findings and recommendations must be issued and submitted to the PMO within 30 days of convening the Board, except in extenuating circumstances when a request for an extension is made and granted by the PMO. At the end of every fiscal year, or more frequently if requested by the APMO, the PMO must submit a report to the APMO summarizing all Board of Survey cases, including Program/Regional leadership decisions, and any subsequent actions.

### **3.8.7 Concurrence of Program/Regional Leadership**

After review, the PMO shall forward the Board's findings and recommendations to Program/Regional leadership, which acts as the reviewing authority. Program/Regional leadership shall provide direction for all the Board's findings and recommendations on the originally submitted EPA Form 1740-12 and send it back to the PMO for action. Program/Regional leadership's decisions shall include but not be limited to the following:

- Removal of property from IFMS: The PMO shall forward the Board's recommendations and Program/Regional leadership's decision to the PAO, who shall reconcile IFMS accordingly;
- If the Board finds the employee(s) involved at fault, and Program/Regional leadership concurs, the PMO will establish and maintain a file with all relevant documentation related to the case and inform the APMO. The APMO will formally notify the involved employee's supervisor of the action taken and send all relevant documentation related to the case; and
- If the Board finds the employee(s) involved at fault, and Program/Regional leadership does not concur, the PMO will reconvene the Board and notify the APMO. The APMO, acting as an advisor, will facilitate resolution of the case between all parties.

## **CHAPTER 4. DISPOSAL OF PERSONAL PROPERTY**

Government regulations require federal agencies to use excess personal property as the first source of supply to the fullest extent possible. This chapter provides the policies and procedures for the disposal of EPA personal property under FMRs 102-36 through 102-42; section (i) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 United States Code [U.S.C.] 3710) as amended; the Computers for Learning (CFL) program, established by Executive Order (EO) 12999,; “Educational Technology: Ensuring Opportunity for All Children in the Next Century”, and the Recycle Electronics and Asset Disposition (READ) services. The policies and procedures outlined in this chapter apply to the reporting and disposal of excess and surplus personal property by transfer, public sale, abandonment, or destruction, with the exception of leased personal property, which will be returned to the lessor in accordance with the lease agreement.

### **4.1 DISPOSAL PROCESS**

#### **4.1.1 Disposal Process for EPA Personal Property**

The disposal process for EPA personal property consists of the following steps:

- Reporting of excess personal property within EPA, which makes it available to other AAs;
- Reporting of excess personal property to GSA, which makes it available to other federal agencies;
- Donation of surplus personal property by GSA;
- Sale of surplus personal property by GSA; and
- Abandonment and/or destruction of surplus personal property.

In certain cases, disposal of EPA excess personal property by abandonment and/or destruction is authorized without reporting to GSA for reasons of public health, safety, and/or security. Depending on the cited reason or authority, abandonment and/or destruction can take place at any time during the disposal process. Abandonment and/or destruction of excess personal property must be in accordance with section 4.6.

### **4.2 REPORTING OF EXCESS PERSONAL PROPERTY**

#### **4.2.1 Personal Property Considered Excess Within EPA**

Personal property classified as excess within EPA should have high potential for utilization, should be in a condition that does not impair the utility of the item, and should be capable of utilization with little or no repair (this corresponds to GSA’s minimum reportable condition code in FMR 102-36.240). Items not meeting these minimum reporting conditions may be listed by AAs only if unusual procurement circumstances warrant their inclusion.



#### 4.2.2 Reporting of Excess Personal Property Within EPA

After a Program declares personal property to be excess, the PUO within the AA holding the excess property will work with the COs from the other Custodial Areas to determine whether there is a need for the excess property within the AA. If there is not, the PAO will transfer the item in IFMS into Custodial Area 999, where it can be viewed by the other AAs. Upon transfer of the excess personal property to Custodial Area 999, the other AAs will have 15 calendar days as part of the intra-agency screening process to claim it. If the excess property is claimed, the procedures outlined in section 2.4 should be followed for its transfer. In addition, the PMD can be used to circulate information about available excess property and to request transfer (see the *PMD User's Manual*). If the property is not claimed during this process, it will be reported by the PUO to GSA, or it can be donated to the CFL program if applicable. (See sections 4.2.4 and 4.4.4 for more information.)

#### 4.2.3 Personal Property Considered Excess by GSA

All excess personal property that is not claimed during EPA's 15-day intra-agency screening process should be reported to GSA. The exceptions to this requirement that apply to EPA are as follows:

- Personal property authorized for direct transfers to other federal agencies, in accordance with FMR 102-36.145;
- Personal property donated through the CFL program;
- Personal property determined appropriate for abandonment/destruction (see section 4.6.1);
- Non-appropriated fund property, in accordance with FMR 102-36.165;
- Foreign excess personal property, in accordance with FMR 102-36.380;
- Personal property classified with the disposal condition code of "s" (see section 4.2.4 for disposal condition codes), which can be disposed of through READ services; and
- Hazardous waste.

#### 4.2.4 Reporting of Excess Personal Property to GSA

To report excess personal property to GSA, the PUO should report to the appropriate GSA regional office using an SF-120, "Report of Excess Personal Property" (see Appendix E), or by using GSAXcess®, the customer interface to the Federal Disposal System (FEDS), which is accessed through GSA's Web site, [www.gsa.gov](http://www.gsa.gov).

See FMR 102-36.235 for data that must be reported to GSA. Table 4-1 shows the disposal condition codes that should be used to classify the excess personal property for GSA.

**Table 4-1. Disposal Condition Codes**

<b>Disposal condition code</b>	<b>Definition</b>
1	New. Property that is in new condition or unused condition and can be used immediately without modifications or repairs.
4	Usable. Property that shows some wear, but can be used without significant repair.
7	Repairable. Property is unusable in its current condition but can be economically repaired.
X	Salvage. Property that has value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.
S	Scrap. Property which that has no value except for its basic material content.

EPA excess personal property reported to GSA is listed in the GSAXcess® database (regardless of whether the reporting was done by means of an SF-120 or through GSAXcess®). This property is available for other federal agencies to claim for 21 calendar days. The federal agency that claims the excess personal property will complete an SF-122 and submit it to the GSA region in which the property is located. EPA PUOs should also follow this procedure or a direct transfer (see FMR 102-36.145) to claim excess personal property reported by other federal agencies.

Excess personal property that is not claimed during the 21-day screening process is classified as surplus personal property and is eligible for donation to state and local public agencies and other authorized non-federal activities (see section 4.4). Surplus personal property not selected for donation is offered for sale by GSA to the public by competitive offerings, such as sealed bid sales, spot bid sales, or auctions (see section 4.5). If a written determination is made that the surplus personal property has no commercial value or that the estimated cost of its continued care and handling will exceed the estimated proceeds from its sale, it may be disposed of by abandonment or destruction (see section 4.6) or donated to public bodies.

In any instances where delays in disposition of reported property would create a storage problem for the holding AA, the GSA regional office must be notified. If the GSA regional office does not furnish disposition instructions within a reasonable period of time, and the matter cannot be resolved locally, the APMO should be notified by letter. Copies of correspondence to the GSA regional office, if any, should be attached to the letter by the PMO.

Any federal agency that claims excess personal property originally purchased with money from the Superfund Trust Fund is required to reimburse the Fund an amount in accordance with FMR 102-36.80. Reimbursement to EPA also may be required in other situations in accordance with FMR 102-36.75.

#### **4.2.5 Excess Personal Property Requiring Special Handling and Reporting**

The following items require special handling prior to disposal, as stated below:

- Classified personal property must be stripped of all characteristics that caused it to be classified, or otherwise be rendered unclassified, before disposal. Declassification should be accomplished in a way that preserves, as far as practicable, the utility or commercial value of the property;.
- IT equipment must be reported to the assigned IT official for proper software license recovery and/or hard drive cleansing; and
- Other required items must be disposed of appropriately, in accordance with FMR 102-36 Subpart E, "Personal Property Whose Disposal Requires Special Handling."

#### **4.2.6 Withdrawals and Corrections to Excess Personal Property Reports to GSA**

If an AA decides to claim excess personal property that has been reported to GSA, the requesting PUO will ask the reporting PUO to withdraw the item previously reported to GSA. Requests to withdraw reported excess property from GSA should be indicated on the SF-120 and submitted to the regional GSA office to which the original report of excess was forwarded. Disposition of subject property cannot be made until after withdrawal approval has been received from GSA. Corrected reports of excess property shall be prepared and identified on the SF-120 and forwarded to the GSA office to which the original report of excess was submitted.

#### **4.2.7 Screening of Excess Personal Property by Non-Federal Agency Screeners**

GSA maintains a record of certified non-federal agency screeners (e.g., state governments, nonprofit organizations) operating under their authority. This record is available on GSA's Web site.

### **4.3 TRANSFER OF SURPLUS PERSONAL PROPERTY**

#### **4.3.1 Transfer of Surplus Personal Property to State and Local Governments**

After the 21-day screening process ends, if the property is not claimed by other federal agencies, surplus personal property can be transferred to any state or local governments requesting its use. An authorized official from the local or state government must prepare an SF-123 and forward it to the appropriate GSA office for approval or disapproval. If the request is approved, GSA will prepare and forward disposition instructions to the AA holding the property. If the request is not approved, GSA will forward other disposal instructions.

#### **4.3.2 Transfer of Excess Personal Property Overseas**

Excess personal property overseas for which no need exists within EPA, or for which reassignment within EPA would be uneconomical, will be offered for utilization to other federal agencies within the same geographic overseas area. This may be accomplished either telephonically or by means of a circular. When there is no utilization potential within the same geographic area, the property may be returned to the original AA or to other federal agencies

within the United States. Generally, a grouped lot of excess personal property with an original acquisition value of less than \$1,000 should not be considered for return for further utilization within EPA or by other federal agencies or for donation, based on such factors as cost, residual value, usefulness in ongoing or future programs, condition, and cost of transportation. See FMR 102-36.380 through 102-36.400 for more information.

If foreign excess personal property is to be returned to the United States, the property must be reported on an SF-120 and an SF-120A, "Continuation Sheet," to the PUO of the appropriate AA. Information provided should include location and available transportation facilities, in addition to the detailed descriptions required by FMR 102-36.235. The responsible PUO will circulate the SF-120 to PUOs of other AAs to notify them of available excess property. Appropriate officials at the U.S. Department of State and the U.S. Agency for International Development (USAID) should also be contacted to determine whether there are any special restrictions for returning the foreign excess personal property to the United States.

#### **4.4 DONATION OF SURPLUS PERSONAL PROPERTY**

##### **4.4.1 Donation of Personal Property**

EPA shall cooperate with all public agencies and their accredited representatives authorized to participate in the donation program, as set forth in FMR 102-37. When property is donated to a non-federal public body, all identification markings that indicate that the Federal Government previously owned the property must be removed before release to the receiving organization. The receiving organization is responsible for any packing, shipping, or transportation charges associated with the transfer of surplus property for donation.

##### **4.4.2 Foreign Excess Personal Property**

After utilization screening, but prior to disposal in the foreign area, property should be considered available for return to the United States for donation, following the procedures outlined in section 4.3.2.

##### **4.4.3 State and Local Governments and Eligible Nonprofit Organizations**

Surplus personal property may be donated to any state or local government or nonprofit organization deemed eligible by the State Agency for Surplus Property (SASP). All SASP offices designated under state law to receive federal surplus personal property for distribution to eligible donees within the state may also receive donated property. Nonprofit organizations generally include, but are not limited to:

- Medical institutions, hospitals, clinics, and health centers;
- Drug abuse and alcohol treatment centers;
- Providers of assistance to homeless or impoverished families or individuals;
- Schools, colleges, and universities;

- Child care centers;
- Radio and television stations licensed by the Federal Communications Commission (FCC) as educational radio or educational television stations; and
- Public museums and libraries.

#### **4.4.4 Computers for Learning Program**

The CFL program was established by EO 12999 and is designed to streamline the transfer of excess and surplus federal computer equipment to schools and educational nonprofits, giving special consideration to those with the greatest need. Similar to other government-owned property, EPA must offer its computer equipment for use to other AAs before declaring it as excess to the Agency. However, EPA can directly transfer computer equipment to schools and educational nonprofit organizations instead of reporting it to GSA for screening by other federal agencies. For the proper procedures for donating computers, visit the CFL Web site at [www.computers.fed.gov](http://www.computers.fed.gov).

#### **4.4.5 Educational Research Equipment**

To ensure equitable distribution and proper use of the property being transferred under section 3710(i) of the Stevenson-Wydler Technology Innovation Act (15 U.S.C. 3710) and the CFL program, the Federal Coordinating Committee on Education-Related Federal Equipment was established. This committee, co-chaired by the GSA Administrator and the Secretary of Education, identified the following two methods for federal agencies to transfer or donate mathematical and scientific equipment to schools and nonprofit institutions:

- The GSA Donation Program handles property donated through the program, in accordance with the Federal Property and Administrative Services Act of 1949, as amended; and
- Expedited education allows the related transfer agency to determine which educational institution will receive the property. Under this process, GSA is notified of selection and effects the transfer to the respective state agency as surplus property for donation to the recipient.

To ensure that equipment is equitably distributed to schools with the greatest need or schools that lack access to adequate outside resources, EPA must comply with the recommendations of the committee and must use the two aforementioned methods. Property targeted for donation under the Stevenson-Wydler Technology Innovation Act and CFL program will first be screened as excess within EPA in accordance with the Manual.

#### **4.4.6 Recycling Electronics and Asset Disposition Services**

Under the READ services contract, EPA awarded several Governmentwide Acquisition Contracts (GWAC) to small businesses to help the Federal Government recycle or properly dispose of excess electronic equipment. EPA can use READ services to dispose of its excess electronic equipment without reporting to GSA for all property having the “s” disposal condition

code. For other disposal condition codes, the excess electronic equipment must be reported to GSA for screening before disposal through READ services.

The READ services program evaluates each item and its components and then, in decreasing order of preference:

- Refurbishes and resells it, using the proceeds to offset costs;
- Donates it to charitable causes; and
- Recycles as much of it as possible and properly disposes of the remainder.

This process prevents hazardous substances from entering landfills and the environment and extends the useful life of equipment through refurbishment and donation, if possible. Equipment can be donated to schools, nonprofit organizations, and lower-income families. READ services will also help federal agencies meet the requirements of EO 13101, “Greening the Government through Waste Prevention, Recycling, and Acquisition.” For more information about READ services, visit <http://www.epa.gov/oam/read/index.htm>.

## **4.5 SALE AND PURCHASE OF SURPLUS PERSONAL PROPERTY**

### **4.5.1 Sale of Surplus Property by GSA**

GSA will act as the single sales agency for EPA surplus personal property, in accordance with FMR 102-38.

Proceeds from the sale of property originally purchased with Superfund money must be reimbursed to the Superfund Trust Fund, except for the portion of sales proceeds equal to the cost of the sale, which can be reimbursed to EPA’s general fund.

### **4.5.2 Responsibilities of Accountable Areas Holding Property That Will be Sold**

Holding AAs are responsible for the following activities as they pertain to sale and purchase of surplus personal property:

- Ensuring that the appropriate GSA regional sales office has the necessary accounting data and information to conduct the sale of surplus property;
- Making for-sale property available for inspection by prospective bidders;
- Providing with the property any available operating manual, parts list, diagram, maintenance log, or other instructional publication;
- Offering adequate facilities and necessary administrative, clerical, or labor assistance when needed and requested by GSA; and
- Assisting in the physical movement of property to be sold at lot sales.

#### **4.5.3 Purchase of Surplus Property by EPA Employees**

An EPA employee cannot purchase any EPA personal property that is being sold as government surplus property if the employee:

- Maintained the accountability or custodial record of the item at the time it was determined to be EPA excess;
- Had nonpublic information regarding the for-sale property;
- Determined the condition of the item for utilization or disposal purposes; or
- Directly participated in or conducted the sale of the item.

#### **4.5.4 Delivery of Surplus Property Sold**

The GSA regional office will notify the holding AA to coordinate delivery of the property to the appropriate buyer by forwarding a copy of GSA Form 27A, "Purchaser's Receipt and Authority to Release Property," after full payment is received from the buyer. The AA shall notify GSA if the buyer does not remove the property within 15 calendar days, in accordance with FMR 102-36.135.

#### **4.5.5 Limited Sales of Surplus Personal Property by Holding Accountable Area (Small-Lot Sale)**

After notifying the appropriate GSA regional sales office, AAs have the authority to sell small lots of surplus personal property when the estimated proceeds of the sale do not exceed \$200,000 net. Proceeds from the sale of surplus personal property will be deposited into the U.S. Treasury as miscellaneous receipts, except that net proceeds from the sale of Superfund property will be deposited into the Superfund Trust Fund. EPA may retain that portion of the sales proceeds equal to the cost of holding the sale. Items may be selected from two source groups:

- Items that GSA has advised EPA to sell in small lots (i.e., items that have been reported to GSA as excess but that have not been transferred, donated, or sold by routine procedures)
- Items that are not reportable to GSA because of their condition or cost

Optional Form (OF) 15, "Sale of Government Property," is in poster form and may be used in two ways. It may be mailed as a direct sales announcement to a list of prospective bidders that includes names accrued from past sales and names of persons who have asked to be included, or it may be prominently displayed in at least three public buildings. The mailing or posting of the OF-15 must be completed at least 14 calendar days before the sale.

Inspection of the property for at least 2 days by potential bidders should be scheduled a week before the sale. OF-16, "Sales Slip, Sale of Government Personal Property," must be used by the AA conducting the sale as an invoice, a cash receipt, or a property release document following a successful award. The results of small-lot sales must be forwarded to the GSA regional sales office for review within 10 business days after conclusion of the sale. The report

shall include copies of the OF-15, OF-16, bidders abstract for sealed bid sales, and property listing.

#### **4.5.6 Sale of Surplus Personal Property to State and Local Governments**

Surplus property may be sold to state and local governments on either a negotiated or a competitive bid basis, in accordance with FMR 102-38.340 through 102-38.355.

### **4.6 ABANDONMENT AND DESTRUCTION OF EXCESS PERSONAL PROPERTY**

#### **4.6.1 Abandonment/Destruction Requirement for Excess Personal Property**

With the exception of leased property or property purchased with Superfund money, excess personal property may be abandoned or destroyed without being reported to GSA, in accordance with FMR 102-36.305 to 102-36.330 and EPA's "green" standards, if (1) there is a written justification by a duly authorized official who is not directly accountable for the property and (2) the property has been approved by a Board of Survey for abandonment or destruction.

#### **4.6.2 Findings Justifying Abandonment or Destruction of Excess Personal Property**

Findings justifying abandonment or destruction of excess personal property must meet the following criteria:

- The property has no commercial value;
- The cost of care, handling, and preparation of the property for sale would be greater than the expected sale proceeds;
- Law, regulation, or directive requires abandonment or destruction; and
- Written instructions by an authorized official (health, safety, security) direct abandonment or destruction.

The appropriate office must provide for public notice of the abandonment or destruction for a period of not less than 7 days. The notice will be posted in the area in which the property is located and should include the following:

- A general description of the property;
- The date and location of the abandonment or destruction;
- An offer to donate the property to public bodies; and
- An offer to sell the property.

Property may be abandoned or destroyed without public notice if:

- The value of the property is so little or the cost of its care and handling is so great that its retention for advertising for sale is clearly not economical;



- Immediate abandonment or destruction is required because of health, safety, or security reasons;
- The property to be abandoned or destroyed is unserviceable, expendable property; or
- A single line item of property to be abandoned or destroyed at any one location, at any one time, has an original cost of less than \$500.

#### **4.6.3 Precious Metals Recovery Program**

GSA is responsible for the initiation and development of governmentwide precious metals recovery programs and for the issuance and administration of applicable contracts.

### **4.7 UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY PURSUANT TO EXCHANGE/SALE AUTHORITY**

#### **4.7.1 Exchange or Sale Authority for Property**

The exchange or sale of government-owned property is allowed, in accordance with FMR 102-39, for the purpose of replacing property that no longer adequately performs the tasks for which it is used or that does not meet EPA's need as well as the property with which it will be replaced. The trade-in value of the property exchanged is used as whole or partial payment for the acquisition cost of the replacement property. Before initiating an exchange/sale of personal property, the PUO must confirm (1) that there is no excess personal property available within EPA to fulfill the need and (2) that other federal agencies known to use such property have been solicited for possible reimbursable transfer.

Exchange/sales of personal property must meet the following requirements:

- The PMO and OAM must prepare a written determination to allow the exchange or sale of proceeds. The determination must accompany the requisition and must be retained in the official procurement file. Thus, it is important that the PMO and PAO oversee and ensure the validity of the requirement for the property in all respects;
- Property sold or exchanged must be similar to the property acquired;
- The exchange allowance or sale proceeds must be applied to the replacement of the property acquired or exchanged and must be properly documented;
- Property sold or exchanged is not excess, and there is a continuing need for that type of property;
- The property exchanged or sold was not acquired for the principal purpose of exchange or sale;
- The number of items acquired must equal the number of items exchanged or sold, unless the items acquired perform all or substantially all of the tasks for which the items exchanged or sold would otherwise be used or the items meet the similarity comparison specified in FMR 102-39.20 (i.e., that they are parts or containers for identical or similar end purposes); and

- The transaction will foster economic and efficient accomplishment of the Program to which the property is assigned.

The PAO must ensure that the personal property is eligible for exchange/sale in accordance with FMR 102-39.45.

## **4.8 UTILIZATION OF ABANDONED AND FORFEITED PERSONAL PROPERTY**

### **4.8.1 Vesting of Title of Abandoned or Forfeited Personal Property**

Abandoned or other unclaimed property subject to the provisions of 40 U.S.C. 552 will remain in the custody of, and be the responsibility of, the AA finding such property. An EPA office finding abandoned or unclaimed usable property must hold the property for 30 calendar days, during which time there will be attempts to find the owner and return the property. If no owner is identified within 30 calendar days, the property must be used in accordance with accountability requirements put forth in Chapter 3. Property not required for use must be reported as excess within EPA in accordance with section 4.2.1.

## **4.9 UTILIZATION, DONATION, AND DISPOSAL OF FOREIGN GIFTS AND DECORATIONS**

### **4.9.1 Standards for Foreign Gifts and Decorations**

Standards of conduct governing the acceptance of gifts from foreign governments are presented in FMR 102-42.15. In accordance with 22 U.S.C. 2694, appropriated funds may not be used to purchase any tangible gifts of more than minimal value for any foreign individual unless such gifts have been approved by Congress.

GSA will adjust the definition of minimal value every 3 years, in consultation with the Secretary of State, to reflect changes in the consumer price index. Any change to GSA's definition will supersede the minimal value as defined by the Manual.

### **4.9.2 Foreign Gifts Valued Over \$305**

For foreign gifts valued over \$305, the recipient must report the gift in writing to his/her supervisor and the PMO or PAO within 60 calendar days of accepting the gift. The PMO or PAO will notify the APMO, who will determine whether EPA will retain custody of the gift for official use. Foreign gifts above the minimal value that are not wanted for use by EPA will be reported as excess property to GSA in accordance with section 4.2.4. If the gift or decoration is not claimed by another federal agency during utilization screening, the employee may purchase the gift or decoration; the sale price will be the commercially appraised value of the gift.

### **4.9.3 Foreign Gifts Valued Under \$305**

For foreign gifts valued at less than \$305, the recipient must report the gift in writing to his/her supervisor and the PMO within 60 calendar days of accepting the gift. For gifts under the minimum value, the recipient may retain the gift. If the recipient has no wish to retain the gift, it will be forwarded to the PAO for disposition.

#### **4.9.4 Personal Gifts to EPA**

Personal gifts from foreign entities received under the Integrity Act should be referred to EPA finance departments.

#### **4.9.5 Deposit of Money and Certain Intangible Gifts with EPA**

Under existing GSA regulations, negotiable instruments, such as cash, checks, money orders, bonds, and shares of stock or other securities received as gifts must be deposited to the U.S. Treasury as miscellaneous receipts.

### **4.10 CANNIBALIZATION OF PERSONAL PROPERTY**

#### **4.10.1 Conditions Permitting Cannibalization**

Cannibalization of EPA personal property may be accomplished, provided that all the following conditions exist:

- Repair of the broken or worn parts is not possible or not cost-effective;
- Required parts are not available from other units previously cannibalized; and
- The benefit realized from cannibalization exceeds the estimated trade-in or sale value of the unit being considered for cannibalization.

Contact the appropriate IT officials for requirements and procedures for the cannibalization of IT equipment.

## **CHAPTER 5. CONTRACT PERSONAL PROPERTY**

This chapter establishes EPA policies for control and accountability, as well as general requirements for management of contract personal property. As an integral part of all EPA contracts, effective control and accountability must be maintained for all personal property furnished by EPA or acquired with EPA funds, in accordance with 48 CFR Part 45, and Chapter 45 of CMM. This chapter provides general guidance on contract personal property and should not be relied on to the exclusion of the more detailed guidance provided by the aforementioned regulations.

### **5.1 RESPONSIBILITIES FOR CONTRACT PERSONAL PROPERTY**

Responsibility for contract personal property belongs to several individuals discussed in this section.

#### **5.1.1 Contracting Officer's Responsibilities for Contract Personal Property**

Contracting Officers' responsibilities, as they relate to contract personal property, are as follows:

- Ensuring that contracts are awarded and administered in accordance with applicable statutes, rules, regulations, policies, requirements of law, and executive orders;
- Ensuring that the procurement requirements for acquisition of property have been met;
- Providing the Project Officer with a copy of the contract and all subsequent modifications;
- Ensuring that all government-furnished property is included in the contract schedule;
- Monitoring disposition of government-owned property by maintaining a list of the contractor's excess or residual government property and providing the disposition instructions to the contractor;
- Amending the contract to add or delete government-furnished property;
- Coordinating with OIG and the Project Officer to ensure that property-related issues raised in audit reports are resolved properly and in accordance with established EPA procedures;
- Requesting excess personal property from the PAO for use on the contract, as well as notifying the PAO when property is available for disposition;
- Making final decisions when there are discrepancies about contract personal property between the COR and the contractor; and
- Maintaining the official contract files through contract closeout.

### **5.1.2 Contracting Officer Representative's Responsibilities for Contract Personal Property**

COR responsibilities, as they relate to contract personal property, are as follows:

- Providing guidance and assistance to the Contracting Officer and the procurement staff as needed during contract performance;
- Working with the Contracting Officer to evaluate the effect that furnishing property to the contractor will have on the contract price;
- Providing assistance in ensuring that all government-furnished property is listed in the contract;
- Ensuring that government-furnished property is sent to the contractor in the proper condition when needed;
- Reviewing the contractor's property inventory for accuracy; and
- Working with the Contracting Officer to provide disposition instructions to the Project Officer and the contractor.

### **5.1.3 Project Officer's Responsibilities for Contract Personal Property**

The responsibilities of the Project Officer, as they relate to contract personal property, appear in Chapter 45 of CMM.

### **5.1.4 Property Accountable Officer's Responsibilities for Contract Personal Property**

The PAO's responsibilities, as they relate to contract personal property, are as follows:

- Providing information to the Project Officer, when requested, on the availability of excess personal property to fill a property need; and
- Coordinating with the Contracting Officer to properly account for contract personal property at contract closeout.

### **5.1.5 Contractor Responsibilities for Contract Personal Property**

Contractor responsibilities, as they relate to contract personal property, are as follows:

- Accounting for all contract personal property in their possession;
- Establishing and maintaining a property control system to control, protect, preserve, and maintain all contract personal property;
- Maintaining and making available the records of all contract personal property until relieved of such responsibilities by the Contracting Officer;
- Conducting periodic physical inventories; and
- Reporting excess or LDD contract personal property to the Contracting Officer.

## **5.2 GOVERNMENT-FURNISHED PERSONAL PROPERTY**

### **5.2.1 Providing Government-Furnished Personal Property to Contractors**

In accordance with FAR Part 45, the basic policy of the Government is that all property required for the performance of its contracts be furnished by the contractor. However, when it becomes necessary or desirable for the Government to provide property, or when the contractor is authorized to acquire property at the Government's expense, procedures must be implemented to ensure that adequate contract provisions are established to protect, account for, and maintain such property. Property required for performance of the contract must be clearly identified in the contract. A determination will be made by the Contracting Officer either to provide the property to the contractor as government-furnished property or to authorize the contractor to acquire property for the performance of the contract. Refer to Chapter 45 of CMM and FAR Part 45 for reasons for providing government property to a contractor.

When contractors are furnished with government property, it is deleted from IFMS and the contractor becomes responsible for the property until such time as it is returned to the Government. In such cases, the Government retains title to the property.

### **5.2.2 Acquiring Property for Contractor Use**

Once the contractor's personal property requirements have been contractually authorized, action must be taken to acquire the property. Types of acquisitions include the following:

- Government-furnished property, government excess, and government supply sources;
- Contractor-acquired property purchased by the contractor for performance of the contract; or
- Leased property.

### **5.2.3 Contractor Receipt of Government-Furnished Personal Property**

When government property is initially placed in the control or custody of the contractor, the contractor becomes accountable and responsible for that property. The Contracting Officer or COR must ensure that the contractor's procedures provide for the following:

- Documentation of receipt;
- Actions taken to resolve inventory discrepancies;
- Inspection;
- Identification;
- Calibration;
- Movement to storage or using areas; and

- Control of misdirected shipments.

### **5.3 ACCOUNTABILITY FOR AND MANAGEMENT OF GOVERNMENT-FURNISHED CONTRACT PERSONAL PROPERTY**

#### **5.3.1 Accountability for Government-Furnished Contract Personal Property**

The Contracting Officer and the Project Officer, when providing government property to a contractor, shall ensure that the property is properly identified in the contract and that a copy of the contract is provided to the contractor. The Project Officer and the contractor are responsible for conducting the physical inventories of the contract property and for reconciling any discrepancies discovered by such inventories.

#### **5.3.2 Maintaining Inventory of Government-Furnished Contract Personal Property**

The contractor shall maintain current inventories on each contract administered. The Contracting Officer must modify contracts as needed to identify all property furnished by the Government. The Project Officer must monitor and review the results of the physical inventories conducted by the contractor of government property held by the contractor. A copy of each inventory shall be furnished to the appropriate Contracting Officer. The Project Officer should modify and maintain current records of all government-furnished property and provide the Contracting Officer with copies of the inventories conducted for each contract administered, including subcontractors' inventories.

#### **5.3.3 Property Management of Government-Furnished Contract Personal Property**

Project Officers will provide assistance, if needed, in establishing a control system to ensure that adequate safeguards are in place to prevent LDD of government-furnished property assigned to contractors. Any occurrence of LDD of contract personal property must be investigated and fully documented by the Project Officer, who will promptly notify the Contracting Officer.

#### **5.3.4 Liability for Loss, Damage, or Destruction of Government-Furnished Contract Personal Property**

Unless otherwise provided by the contract, the contractor is liable for all LDD of government-furnished contract personal property, with the exceptions of reasonable wear and tear, and must be made aware of such liability.

#### **5.3.5 Unauthorized Use of Government Personal Property**

It is the Project Officer's responsibility to advise the Contracting Officer of any known unauthorized use of government property. In the event that the contractor uses any government property without authorization, the contractor may be liable for rental, without credit, of such items for each month or part of a month in which such unauthorized use occurs. The only exception is that the Contracting Officer may, in writing, waive the contractor's liability for such unauthorized use if he/she determines that without such a waiver a gross inequity would result.

### **5.3.6 Disposal of Government-Furnished Contract Personal Property**

Disposal of government-furnished property held by the contractor can occur under the following circumstances:

- Completion of the work under the contract;
- Termination of the contract for default or convenience of EPA; or
- At any time during the course of the contract when the property is no longer serviceable or needed for the purpose for which it was intended or for another use under the contract.

When government-furnished personal property comes off a contract at contract closeout, the Project Officer must notify the PAO, and the property must be decaled and entered into IFMS. The interest of the Government must be protected by ensuring that property is physically allocable to the contract and is no longer used for other work by the contractor.

### **5.3.7 Transfer of Material Through Contract Modification**

Contractor-acquired property may be transferred to another contractor when authorized in the schedule or in specifications within the contract. Transfers should be accomplished according to instructions in the contract or, in the absence of complete instructions in the contract, documentation pertaining to the transfer should be forwarded to the Project Officer and then to the Contracting Officer for equitable adjustment of the gaining contract and any other required action. Transfers should not be accomplished unless authorized in the receiving contract and unless the property is no longer required on the closing contract.

## **5.4 REPORTING REQUIREMENTS**

### **5.4.1 Reporting of Government-Furnished Contract Personal Property**

OAM is responsible for annually reporting to GSA the acquisition value of property purchased with EPA funds for contracts and property furnished to contractors. All property acquired with EPA funds or furnished by EPA must be reported in a memorandum to GSA no later than 90 calendar days after the close of each fiscal year, in accordance with FMR 102-36.150(g) and 102-36.295.



## CHAPTER 6. GRANT PERSONAL PROPERTY

This chapter establishes EPA policies for the control, accountability, and general management of grant personal property in accordance with the standards and procedures in 40 CFR Part 31; Office of Management and Budget (OMB) Circular A-102, “Grants and Cooperative Agreements with State and Local Governments”; 40 CFR Part 30; OMB Circular A-110, “Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations”; and 40 CFR Part 35 “State and Local Assistance.”

### 6.1 RESPONSIBILITIES FOR GRANT PERSONAL PROPERTY

#### 6.1.1 Grant Officer’s Responsibilities for Grant Personal Property

The Grant Officer’s responsibilities, as they relate to grant personal property, are as follows:

- Ensuring that procurement requirements have been met for acquisition of property;
- Monitoring disposition of government-owned property by ensuring that the PAO is notified of the existence, nature, value, and location of grants property available for disposition;
- Maintaining the official grant files until closeout; and
- Coordinating with OIG and the Program Officer to ensure that audit issues related to property management are resolved in accordance with established EPA procedures.

#### 6.1.2 Project Officer’s Responsibilities for Grant Personal Property

The Project Officer’s responsibilities, as they relate to grant personal property, are as follows:

- Reviewing and preparing written evaluations of quarterly and final performance, property, and patent reports submitted by the grantee;
- Providing programmatic guidance and technical assistance to grantees, Grant Officers, and other officials, as necessary;
- Evaluating the grantee’s property control system;
- Resolving property administration matters with grantees at the discretion of the Grant Officer;
- Monitoring the use of property purchased or furnished by the Federal Government under the grant and ensuring that the relevant provisions of the applicable common rule or OMB circulars are met;
- Forwarding recommendations to the PAO for disposal of grant-related property that is no longer needed;

- Evaluating the final performance and property reports at closeout;
- Ensuring that grantees comply with property-related provisions of the grant, FARs, and OMB circulars;
- Establishing and maintaining accountability records;
- Providing guidance to grantees in establishing and maintaining a property accountability system;
- Monitoring grantees' purchase and use of property purchased with grant funds or furnished by the Government under the grant;
- Assisting the grantee with periodic physical inventories;
- Advising the Project Officer of all requests by grantees involving personal property;
- Providing inventory information to the appropriate Property Officer for all property furnished to grantees where the title is retained by the Government; and
- Providing the grantee with instructions for disposition of property and forwarding a copy to the Grant Officer.

### **6.1.3 Grantee Responsibilities for Grant Personal Property**

Grantee responsibilities, as they relate to grant personal property, are as follows:

- Managing property in accordance with all provisions of EPA policies and procedures, federal regulations, and OMB circulars, as applicable;
- Accounting for all personal property under the grant contract in their possession;
- Maintaining and making available an inventory listing of all property acquired under a grant (a final inventory listing must be submitted to the Project Officer with the final financial reports);
- Conducting and submitting to the Program Officer periodic physical inventories (annually for purchased property and government-owned property);
- Exercising adequate control and maintaining property to prevent LDD; and
- Requesting instructions and obtaining approval for disposition of property unless instructions have been identified in the award or in 40 CFR Part 30 or Part 31.

## **6.2 GRANT PERSONAL PROPERTY STANDARDS AND TITLES**

### **6.2.1 Property Management Standards for Grants to State or Local Governments**

Under a grant to any state or local government, property must be managed in accordance with the standards and procedures in 40 CFR Part 31.

### **6.2.2 Property Management Standards for Grants to Institutions of Higher Learning, Hospitals, and Other Nonprofit and For-Profit Organizations**

Under a grant to institutions of higher education, hospitals, and other nonprofit and for-profit organizations, property must be managed in accordance with the standards and procedures prescribed in 40 CFR Part 30.

With any type of grant, grantees may be authorized to use their own property management standards and procedures, as long as the provisions of EPA regulations are included.

### **6.2.3 Title of Grant Personal Property**

When grantees are provided with government-owned property, the title remains vested with EPA; and the property must be maintained and controlled as any other accountable property held by EPA. The Federal Grant and Cooperative Agreement Act of 1977, section 7 (31 U.S.C. 6306; Public Law 95-224) provides cautionary authority for vesting title to property to the contractor or grantee for agencies that form contracts, make grants, and enter into cooperative agreements for the performance of basic or applied scientific research with nonprofit institutions of higher education or with nonprofit organizations whose primary purpose is the performance of scientific research.

Detailed guidance on the interest and rights of EPA in personal property purchased under grants is provided in the applicable common rule and OMB circular. Government-furnished property or government excess property transferred to the grantee is not eligible for title to be vested under this authority.

## **6.3 GRANT PERSONAL PROPERTY ACCOUNTABILITY**

### **6.3.1 Accountability for Grant Personal Property by Grantee**

Property records are the means by which the location and status of grant personal property are recorded, from acquisition through utilization and disposal. Grantees must have an effective property control system that will provide an unbroken record trail. Property records must:

- Identify all government-owned grant personal property;
- Provide complete, current, and auditable records of all transactions;
- Be safeguarded from tampering or destruction;
- Be accessible to authorized personnel;
- Identify the type, location, and dollar value of the grant personal property; and
- Categorize the grant personal property as either supplies/materials or equipment.

AAs shall rely on the grantee's property control records and designate such records as the official grant records. Although there are exceptions to this policy when special circumstances exist and when specifically authorized, the majority of official grant records for personal property are maintained by the grantee. Financial records, supporting documents, statistical records, and all other records pertinent to the grant agreement must be retained for a period of 3 years from submission of the final SF-269, "Financial Status Report."

### **6.3.2 Accountability for Grant Personal Property by EPA**

When grant personal property records are transferred to or maintained by EPA, records must be retained for 3 years after final disposition. There is no requirement for retention by the grantee if records are transferred to or maintained by EPA. If litigation, a claim, or an audit involving the records starts before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues or until the end of the regular 3-year period, whichever is later.

## **6.4 DISPOSITION OF GRANT PERSONAL PROPERTY**

### **6.4.1 Process for Disposing of Grant Personal Property**

Disposition is the last phase of the grant personal property control cycle. This phase involves the identification, classification, and condition coding of items and equipment for possible reuse under other grants upon return to government stock, or disposition in accordance with EPA standard procedures. Upon completion of the grant, or before completion if required by the Project Officer, the grantee must inventory all government property to determine whether retention can be justified on the basis of the grantee's utilization.

If grantee property is no longer needed or wanted, the following steps must take place:

- The grantee must submit a request for disposition instructions to the Program Officer, who will forward the request with recommendations to the PAO;
- The Program Officer must forward a copy of the request to the Grant Officer; and
- The Project Officer must provide the grantee with disposition instructions within 120 calendar days and forward a copy to the Program Officer and the Grant Officer.

If the Project Officer fails to issue disposition instructions within 120 calendar days, the grantee may sell the property using proper sales procedures to ensure the highest possible return and may retain the proceeds subject to the standards outlined in sections 6.4.1 and 6.4.2.

### **6.4.2 Selling and Retention of Non-Expendable Grant Personal Property by Grantee Subject to 40 CFR Part 31**

Non-expendable grant personal property with a current per-unit fair market value of less than \$5,000 may be retained by the grantee, sold, or otherwise disposed of with no further obligation to EPA. Grant personal property with a current per-unit fair market value in excess of \$5,000 may be retained by the grantee or sold, and EPA will have a right to an amount calculated

by multiplying the current market value or proceeds from the sale by EPA's share of the equipment.

**6.4.3 Selling and Retention of Non-Expendable Grant Personal Property by Grantee  
Subject to 40 CFR Part 30**

Non-expendable grant personal property with a current per-unit fair market value of \$5,000 or more may be retained by the grantee for other uses, provided that compensation is made to EPA. The amount of compensation will be computed by applying the percentage of EPA participation in the cost of the original project or program to the current fair market value of the personal property. If the grantee has no need for the personal property, the procedures outlined in section 6.4 shall be followed. EPA will issue instructions to the grantee no later than 120 calendar days after the grantee's request.

## **APPENDICES**

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**APPENDIX A – LIST OF KEY ACRONYMS**

- AA                      • Accountable Area
- APMO                  • Agency Property Management Officer
- CFL                    • Computers for Learning program
- CFR                    • Code of Federal Regulations
- CMM                   • Contracts Management Manual
- CO                     • Custodial Officer
- COR                   • Contracting Officer's Representative
- EO                     • Executive Order
- EPA                    • Environmental Protection Agency
- FAR                    • Federal Acquisition Regulations
- FEC                    • Federal Electronics Challenge
- FEDS                  • Federal Disposal System
- FMR                   • Federal Management Regulations
- FMSD                  • Facilities Management and Services Division
- GAO                   • Government Accountability Office
- GSA                    • General Services Administration
- IAG                    • Interagency Agreement
- IT                      • Information Technology
- ICPM                  • Interagency Committee for Property Management
- IFMS                  • Integrated Financial Management System
- LDD                   • Lost, Damaged, or Destroyed
- MOA                   • Memorandum Of Agreement
- NUO                   • National Utilization Officer
- OAM                   • Office of Acquisition Management

- OAR • Office of Air and Radiation
- OARM • Office of Administration and Resources Management
- OAS • Office of Administrative Services
- OCFO • Office of the Chief Financial Officer
- OF • Optional Form
- OGC • Office of General Counsel
- OIG • Office of Inspector General
- OMB • Office of Management and Budget
- OPPTS • Office of Prevention, Pesticides, and Toxic Substances
- PAO • Property Accountable Officer
- PAR • Program Accountable Representative
- PMD • Property Management Database
- PMO • Property Management Officer
- PUO • Property Utilization Officer
- READ • Recycling Electronics and Asset Disposition services
- RLA • Revocable License Agreement
- SASP • State Agency for Surplus Property
- SF • Standard Form
- SRO • Senior Resource Official
- USC • U.S. Code



## APPENDIX B – GLOSSARY

**Accountability**—A property management function that involves maintaining an account or record of personal property and personal property transactions from receipt to final disposition.

**Accountable Area**—An area designated for property management in which an EPA facility or a cluster of facilities is located. There are 24 Accountable Areas located throughout the United States.

**Accountable Personal Property**—Non-expendable personal property with an acquisition cost of \$5,000 or greater, EPA-leased personal property, or property identified as a sensitive item.

**Acquisition**—Obtaining personal property through purchase, lease, or transfer (from another EPA Accountable Area or Custodial Area, or another federal agency).

**Board of Survey**—A standing committee, appointed by Program/Regional leadership and consisting of three to five members, who are responsible for examining facts to recommend the removal of items from official property records (Integrated Financial Management System) and to recommend if an EPA employee is at fault for lost, damaged, or destroyed personal property.

**Capitalized Personal Property**—Non-expendable personal property with an acquisition cost of \$25,000 or more, is charged to an asset account in the Integrated Financial Management System, has a life expectancy of more than two years, and is accounted for during the life of the property.

**Cannibalization**—The removal of parts of an unusable piece of property to be used to repair a like item.

**Computers for Learning**—Program that allows federal agencies to directly donate excess computers and education-related equipment to schools and educational nonprofit organizations.

**Contracting Officer**—A person with the authority to enter into, administer, or terminate contracts and to make related determinations and findings. The extent of the Contracting Officer's authority to bind the Government may be limited by the appointing authority's delegations.

**Contracting Officer's Representative**—An individual designated by a Contracting Officer to provide technical assistance in the administration of a contract within the limits of the authority delegated by the Contracting Officer.

**Cooperative Agreement**—The legal instrument reflecting a relationship between a federal agency and a non-federal recipient, made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301-6308), under any or all of the following circumstances:

- 1) The purpose of the relationship is the transfer, between a federal agency and a non-federal entity, of money, property, services, or anything of value to accomplish a public purpose authorized by law, rather than by purchase, lease, or barter, for the direct benefit of use of the Federal Government.

- 2) Substantial involvement is anticipated between the federal agency and the cooperative during the performance of the agreed-upon activity.
- 3) The cooperative is a state or local government entity or any person or organization authorized to receive federal assistance or procurement contracts.

**Custodial Area**—A district within an Accountable Area in which a Custodial Officer has been assigned to manage accountable property. Several Custodial Areas combine to form an Accountable Area.

**Custodial Officer**—An EPA employee charged with ensuring accountability for personal property within his/her assigned Custodial Area.

**Decal**—A label marking property as property of U.S. EPA that is attached to each personal property item. There are different decals denoting different types of property and include:

- Non-accountable (no bar code)
- Accountable ('A' or 'B' number bar code)
- Superfund (no bar code)
- Leased ('L' number bar code)
- Capitalized ('C' number bar code)
- Sensitive ('S' number bar code)

**Depreciation**—The annual charge to income that results from a systematic and rational allocation of costs over the life of a tangible asset.

**Disposal Condition Codes**—General Services Administration codes an EPA Property Officer gives to property when it is declared excess, and which describe the condition of the property.

**Disposition**—That action taken to physically transfer property from one's accountability.

**Education-Related Federal Equipment**—Excess or surplus personal computers and related peripheral equipment, research equipment, and education-related equipment that is appropriate for use in mathematics and science curricula in elementary and secondary school education or higher education.

**Excess Personal Property**—Personal property under the control of any federal agency that is not required for that agency's needs, as determined by the head of the agency or designee.

**Expendable Personal Property**—Personal property, regardless of cost or dollar value, that is consumed, loses its identity, or becomes an integral part of other property, and is charged to an expense account when issued for use or at time of receipt.

**Federal Agency**—Any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his/her direction).

**Federal Electronics Challenge**—Voluntary partnership program, of which EPA is a co-sponsor, that encourages federal facilities and agencies to purchase “greener” electronic products, reduce impacts of electronic products during use, and manage obsolete electronics in an environmentally safe way.

**Grant**—A type of assistance award and a legal instrument that permits a federal agency to transfer money, property, services, or other things of value to a grantee when no substantial involvement is anticipated between the agency and the recipient during the performance of the contemplated activity. The term “grant,” as used in the Manual, refers to both a grant and a cooperative agreement, unless specifically stated otherwise.

**Grant Officer**—An EPA employee who is responsible for all administrative aspects of a grant, including having the authority to take final action on grants by signing awards, amendments thereto, and suspension and termination notices.

**GSA Screening Process**—A process administered by the General Services Administration that allows other federal agencies to claim excess property offered for reutilization.

**Hand Receipts**—A property pass generated by the Property Management Database.

**Integrated Financial Management System**—The financial management and accounting tool used by EPA to track all aspects of EPA finances. For personal property management purposes, it provides a system for tracking accountable personal property and is considered the system of record for all personal property.

**Intra-Agency Screening Period**—The 15-day period in which Accountable Areas can claim excess personal property offered by another Accountable Area before the personal property is reported to the General Services Administration as excess for EPA.

**Leased Personal Property**—Non-expendable personal property that EPA has acquired through a lease from an entity following the current EPA leasing guidelines and orders.

**Loaned Property**—Loaned property is given from one entity to another for a specified amount of time. At the end of the time period, the property is then returned to the entity from where it originated.

**National Utilization Officer**—The Accountable Area-01 Property Management Officer, who shall act as an advisor to all Property Utilization Officers in matters of personal property management.

**Non-Capitalized Personal Property**—Non-expendable personal property with an acquisition cost of under \$25,000, which is charged to an expense account either when issued for use or at the time of receipt and is accounted for during the life of the property.

**Non-Expendable Personal Property**—Personal property, that, regardless of cost or dollar value, has a normal life expectancy of more than one year, has continuing use as a self-contained unit, is not consumed in use, does not lose its identity when put to use, or does not ordinarily become a non-severable component of other personal property.

**Personal Property**—Any property, except real property. The term excludes records of the Federal Government and naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines.

**Physical Inventory**—The verification of the existence, location, and quantity of property items.

**Procurement Request**—A request prepared and submitted by a Program or Project Office that authorizes a Contracting Officer to initiate a solicitation, make a new award, or modify an existing award.

**Program Accountable Representative**—An EPA employee who acts as the point of contact for the local Property Management Officer regarding all personal property in the Accountable Area belonging to his/her program; also works to ensure information about the EPA Personal Property Management Program is transmitted to their respective Program Office.

**Program Officer**—An EPA employee responsible for the technical, scientific, or other programmatic aspects of grants.

**Property Accountable Officer**—An EPA employee who ensures the effective administration and maintenance of a personal property control and accountability system within his/her Accountable Area.

**Property Management Database**—A read-only interface to the Integrated Financial Management System that can be used to track and view inventory, create reports, issue property passes, and request and perform transfers, among other functions.

**Property Management Officer**—An EPA employee with responsibility, authority, and accountability required to effectively control the acquisition, use, and disposal of personal property.

**Property Officer**—An EPA employee who serves as a Property Management Officer, a Property Accountable Officer, a Property Utilization Officer, or a Custodial Officer.

**Property Pass**—A pass that allows an EPA employee to take EPA personal property out of an EPA facility for a determined period of time; in other situations it is used to allow an EPA employee to take employee-owned property into an EPA facility.

**Property Transfer**—The transfer of personal property from one Custodial Area or one Accountable Area to another, and the responsibility for the accountability for that personal property.

**Property Utilization Officer**—An EPA employee responsible for promoting the acquisition and profitable use of available excess personal property.

**Real Property**—Land, together with the improvements, structures, and fixtures located thereon.

**Receiving Log**—A procurement and property accounting record that acknowledges receipt by the Accountable Area of property or services from a vendor or other source.

**Reconciliation**—The process of comparing decaled and un-decaled property located during an inventory against those shown in the record inventory list. Actions to account for the ownership of items discovered during the course of inventory and to correct counts, locations, or other types of record adjustments are made to make the record whole and as accurate as possible.

**Recycling Electronics and Asset Disposition Services**—Contract that helps the entire Federal Government reuse, recycle, or donate electronic equipment that it no longer has a need for in an environmentally responsible way.

**Senior Resource Official**—A high-level EPA employee within each Program and Region responsible for reviewing and certifying the annual capitalized inventory

**Sensitive Items**—List of items specified by section 3.2.7, and considered to have a high potential for theft or to be converted to private use; considered accountable personal property that must be tracked by using the Integrated Financial Management System.

**Superfund Trust Fund**—Established by The Comprehensive Environmental Response, Compensation, and Liability Act, the law created a tax on the chemical and petroleum industries and provided broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. The tax went to a trust fund for cleaning up abandoned or uncontrolled hazardous waste sites.

**Surplus Personal Property**—Excess personal property no longer required by the federal agencies, as determined by the General Services Administration.

**Surplus Release Date**—For personal property reportable to the General Services Administration as set forth in the Federal Management Regulations, the surplus release date is established by the General Services Administration and is normally 21 days after receipt of the report of excess by the General Services Administration.

**APPENDIX C – KEY FORMS AND DOCUMENTS REFERENCE MATRIX**

<b>Form Number</b>	<b>Form Name</b>	<b>Description of Use</b>
EPA Form 1700-7	Property Receipt and Transfer Document	Used to transfer personal property from one Accountable Area (AA) to another AA.
EPA Form 1700-9	Official EPA Property Pass or Hand Receipt	Issued to an EPA employee to take EPA personal property out of an EPA facility for a determined period of time. Also used to allow an EPA employee to take employee-owned property into an EPA facility.
EPA Form 1740-10	Property Action Request and Memorandum Receipt	Used to transfer personal property from one Custodial Area in an AA to another Custodial Area within the same AA. Also used to document loans of personal property of less than 45 calendar days to another federal agency.
EPA Form 1740-12	Report of Survey	Used to report lost, damaged, or destroyed (LDD) property to a Board of Survey for resolution. Also used by the Board of Survey to report its findings.
EPA Form 1740-22	Personal Property Custody Card	Used to assign personal property to an employee when appropriate (e.g., laptops, cell phones, BlackBerries).
EPA Form 1900-8	Procurement Request/Order	Used to request procurement of personal property or services, and document the order of the requested personal property or services.
GSA Standard Form-120	Report of Excess Personal Property	Used to report EPA's excess personal property to the General Services Administration (GSA).
GSA Standard Form-122	Transfer Order Excess Personal Property	Used to transfer excess personal property from one federal agency to another.
GSA Standard Form-123	Transfer Order Surplus Personal Property	Used to transfer surplus personal property to a state or local government or other nonprofit institution.

Form Number	Form Name	Description of Use
N/A	Survey Report Memorandum	Completed by a Custodial Officer (CO) and submitted to the Property Accountable Officer (PAO) to document circumstances surrounding the LDD of EPA personal property.
N/A	Personal Property Loan Agreement	Used to document all relevant information about personal property loaned to another federal agency, state, or local government, or nonprofit institution.
N/A	Off-Site Use Request	Used to document an EPA employee's request to use EPA personal property off-site for a period of more than 10 days.
N/A	Employee Separation Checklist	Administrative form issued to an employee leaving the employment of EPA. The personal property section must be signed by a Property Officer, verifying that all assigned personal property has been returned and in the same condition as was issued.
N/A	Revocable License Agreement	Official agreement for loans of personal property of more than 45 days. Used to document both personal property that EPA loans out, and personal property that EPA borrows.
N/A	Memorandum of Agreement	Official agreement used to document approval for an employee to bring employee-owned or employee-leased personal property into an EPA facility.

## APPENDIX D – EPA FORMS

## 1700-7 “Property Receipt and Transfer Document”

PROPERTY RECEIPT AND TRANSFER DOCUMENT <small>(See instructions on reverse)</small>						J. VOUCHER NO.
2. NATURE OF, AND AUTHORITY FOR, ACTION				3. NAME AND ADDRESS OF ISSUING STATION		
4. DISPOSING				5. RECEIVING		
A. ACCOUNTABLE AREA NO.	B. DATE INVOICED AND DROPPED	C. PROP. DOC. NO.		A. ACCOUNTABLE AREA NO.	B. DATE RECEIVED	C. PROP. DOC. NO.
D. CUSTODIAL AREA TO BE CREDITED				D. CUSTODIAL AREA TO BE CHARGED		
E. SIGNATURE OF CUSTODIAL OFFICER				E. SIGNATURE OF CUSTODIAL OFFICER		
F. SIGNATURE OF PROPERTY MANAGEMENT OFFICER				F. SIGNATURE OF PROPERTY MANAGEMENT OFFICER		
6. SHIPPING DATA				7. RECEIVING DATA		
A. BILL OF LADING NO.		B. DATE		A. CHECK ONE AND EXPLAIN ON REVERSE		
				<input type="checkbox"/> REJECTED <input type="checkbox"/> SHORT <input type="checkbox"/> OTHER		
C. CARRIER OR METHOD OF SHIPMENT				B. <input type="checkbox"/> ACCEPTED <input type="checkbox"/> PARTIAL DELIVERY		
D. NO. OF PKGS	E. POSTAGE	F. TOTAL WEIGHT		C. RECEIVED BY		D. DATE
8. PROPERTY OR SERVICE						
LINE OR STOCK NO. A.	DESCRIPTION OF PROPERTY OR SERVICE <small>(Show property numbers where appropriate)</small> B.			QUANTITY C.	UNIT D.	UNIT COST E.
9. A. SIGNATURE OF PROPERTY MANAGEMENT OFFICER						B. DATE
10. ACKNOWLEDGMENT OF RECEIPT OUTSIDE EPA						
A. NAME AND ADDRESS OF TRANSFEREE AGENCY, PURCHASER, DONEE, ETC.				B. SIGNATURE OF CONSIGNEE OR AGENCY		
				C. TITLE		
				D. DATE		
11. POSTING DATA <small>(Use if applicable)</small>						
A. STOCK CONTROL	MEMO ASSET ACCOUNT			COST ACCOUNTING		

EPA Form 1700-7 (10-74)    REPLACES EPA FORM 1770-17 (1-72) WHICH MAY BE USED UNTIL SUPPLY IS EXHAUSTED    PAGE    OF    PAGES



## 1700-9 "Property Pass"

		U.S. ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, DC 20460		PPSBBEL-6KPND7	
<b>PROPERTY PASS</b>		INSTRUCTIONS: Use this pass whenever removing property from the building. Complete Sections 1,2,3, and 4. Original is for the guard.			
NOTE: In accepting custody of the property described below, I understand that I am personally responsible for its return in the condition in which received, normal wear and tear excepted. In the event a Board of Survey finds that, because of my negligence, the property has been lost, damaged, or destroyed, EPA is hereby authorized to withhold any salary due me until full restitution is made.					
1. NAME <i>(Please print)</i>		SIGNATURE		TELEPHONE NUMBER	
ORGANIZATION		2. REASON PROPERTY IS BEING MOVED			
3. DESCRIPTION		PROPERTY NUMBER		SERIAL NUMBER	
4. ISSUING OFFICER <i>(Please print)</i>		SIGNATURE		MAIL CODE	
TELEPHONE NUMBER		ISSUING DATE			
5. RETURN ACCEPTED BY <i>(Please print)</i>		SIGNATURE		MAIL CODE	
PROPERTY NUMBER		SERIAL NUMBER			
6. RETURNED BY <i>(Please print)</i>		SIGNATURE		MAIL CODE	

EPA Form 1700-9 (6-84) (EForms 4.4)

## 1740-10 "Property Action Request and Memorandum Receipt"

PROPERTY ACTION REQUEST AND MEMORANDUM RECEIPT					1. DATE	
<i>(See instructions on reverse)</i>						
<b>2. NATURE OF ACTION (Check one)</b>						
<input type="checkbox"/> TRANSFER TO ANOTHER CUSTODIAL AREA			<input type="checkbox"/> INVENTORY ADJUSTMENT BETWEEN CUSTODIAL AREAS			
<input type="checkbox"/> RETURNED AS EXCESS			<input type="checkbox"/> REQUEST FOR PROPERTY (Other than purchase action)			
<input type="checkbox"/> RETURNED AS UNUSABLE			<input type="checkbox"/> OTHER (SPECIFY)			
<input type="checkbox"/> LOAN BETWEEN CUSTODIAL OFFICERS						
<input type="checkbox"/> RECORD OF PERSONAL ISSUES						
<b>3. CUSTODIAL AREA ACTION</b>						
<b>INITIATING</b>			<b>RECEIVING</b>			
AREA INITIATING REQUEST			AREA RECEIVING PROPERTY			
SIGNATURE OF ISSUING OFFICER			SIGNATURE OF RECEIVING OFFICER			
<b>4. PROPERTY IDENTIFICATION</b>						
ITEM NO.	DESCRIPTION OF PROPERTY	QUANTITY	UNIT	UNIT COST	TOTAL AMOUNT	
<b>5. FOR USE BY PROPERTY MANAGEMENT OFFICER TO DOCUMENT AND RECORD TRANSFERS</b>						
The custodial records of _____ were						
<input type="checkbox"/> debited <input type="checkbox"/> credited on _____						
ACCOUNTABLE AREA NO.		SIGNATURE OF PROPERTY MANAGEMENT OFFICER				
<b>6. MEMORANDUM RECEIPT FOR ISSUES OF PERSONAL CUSTODY PROPERTY</b>						
In accepting custody of the property identified in block 4 above, it is understood that I am personally responsible for its return in the condition in which received, normal wear and tear excepted. In the event a Board of Survey finds that, because of my negligence, the property has been lost, damaged or destroyed, EPA is hereby authorized to withhold any salary due me until full restitution is made.						
SIGNATURE					DATE	
PROPERTY RETURNED		DATE		SIGNATURE OF CUSTODIAL OFFICER		

EPA Form 1740-10 (8-72)

REPLACES EPA FORM 1770-13 (10-71) WHICH MAY BE USED UNTIL SUPPLY IS EXHAUSTED.

pp-policy-procedures-manual.pdf

[illegible]

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EPA Forms

6. BOARD OF SURVEY ACTION		
A. FINDINGS:		
B. RECOMMENDATIONS:		
NAME AND SIGNATURE OF SURVEY OFFICER	DATE	
NAME AND SIGNATURE OF MEMBER	DATE	
NAME AND SIGNATURE OF MEMBER	DATE	
7. REVIEWING AUTHORITY'S ACTION		
A. <input type="checkbox"/> APPROVED      B. <input type="checkbox"/> DISAPPROVED (STATE REASON)		
SIGNATURE OF REVIEWING OFFICIAL	TITLE	DATE
8. CERTIFICATE OF DISPOSITION		
I certify that the property listed hereon has been disposed of in the following manner:		
SIGNATURE OF ACCOUNTABLE OFFICER	TITLE	DATE
9. FOR APPROVED DESTRUCTION ONLY		
I certify that I have witnessed the destruction. It was destroyed in the following manner:		
SIGNATURE OF WITNESSING OFFICER	TITLE	DATE

EPA Form 1740-12 (Rev. 12-82) Reverse

## 1740-22 "Custody Card"

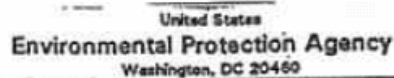
EPA		Personal Property Custody Card			
1a. Name (Last, First, MI)		b. Program/Mail Code		c. Custodial Area	
<b>2. Statement of Responsibility:</b> I accept responsibility for the equipment listed below. I will exercise reasonable care in protecting it. If the equipment is lost, damaged, or destroyed because of my negligence, I understand that I may be required to reimburse EPA for part or all of the acquisition cost.					
3a. Signature of User:			b. Telephone Number		c. Date Received
4. Property No.	5. Nomenclature	6. Mfr.	7. P.O. No.	8. Serial & Model No.	9. Acq. Cost

EPA Form 1740-22 (7-91) Replaces EPA Form 1740-21, which is obsolete

 Printed on Recycled Paper








**Submit the Original of the Invoice to:**

**Ship To:**

**Mark All Packages and Papers with Contract and / or Order Numbers**

D-8

**“Hand Receipt”**

<b>PROPERTY PASS</b> <b>U.S. EPA, AA06</b>	
Issued To: Szwedo, Edward	
Decal: 000009 Acq. Amt: \$500.00	
Description: Printer Update	
Model: DESKJET 550C S/N: 3321S68002	
Issued By: Edward Sanders Property Management Officer February 12, 2004	
<p>The individual named on the reverse of this card has signed a hand receipt accepting responsibility for the equipment listed. The hand receipt is on file with the EPA Property Management Office in RTP, NC. The named individual is authorized to keep the property described in his/her possession and is authorized to remove the property from all EPA facilities. Any questions should be directed to Edward Sanders at 919-541-3443.</p>	



## APPENDIX E – GSA FORMS

## SF-120 "Report of Excess Personal Property"

[illegible]

## pp-policy-procedures-manual.pdf

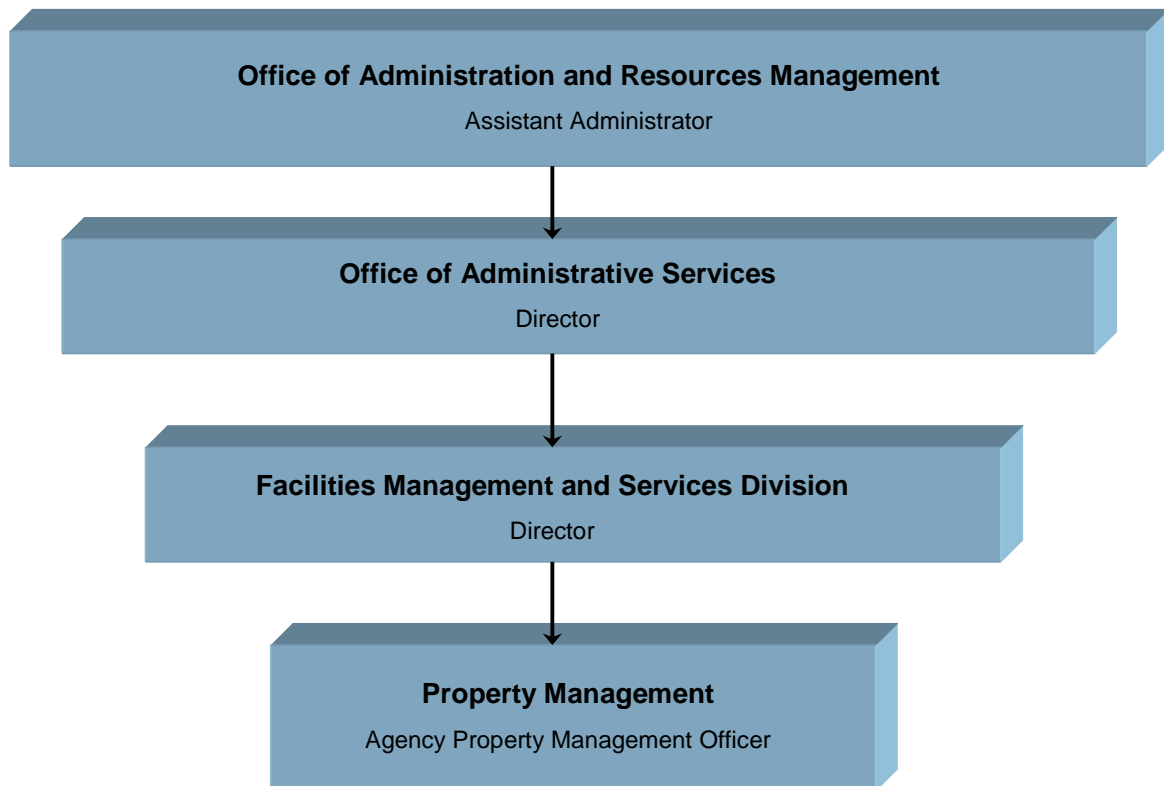
*\*Include ZIP Code*

<b>TRANSFER ORDER SURPLUS PERSONAL PROPERTY</b>		1. ORDER NUMBER(S) a. _____ b. _____		FORM APPROVED OMB NUMBER  <b>3090-0014</b>		PAGE 1 OF _____ PAGES	
2. TYPE OF ORDER <input type="checkbox"/> STATE AGENCY <input type="checkbox"/> DOD(SEA) <input type="checkbox"/> FAA		3. SURPLUS RELEASE DATE		4. SET ASIDE DATE		5. <input type="checkbox"/> NON-REPORTABLE <input type="checkbox"/> REPORTABLE	
7. TO <b>GENERAL SERVICES ADMINISTRATION*</b>				8. LOCATION OF PROPERTY			
9. HOLDING AGENCY (Name and address)*				<b>10. FOR GSA USE ONLY</b>  SOURCE CODE <input type="checkbox"/>  STATE <input type="checkbox"/> <input type="checkbox"/> CITY <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>  TYPE OF DONATION <input type="checkbox"/> <input type="checkbox"/>  ADJUSTED ALLOCATION CODE <input type="checkbox"/> <input type="checkbox"/>			
11. PICKUP OR SHIPPING INSTRUCTIONS*							

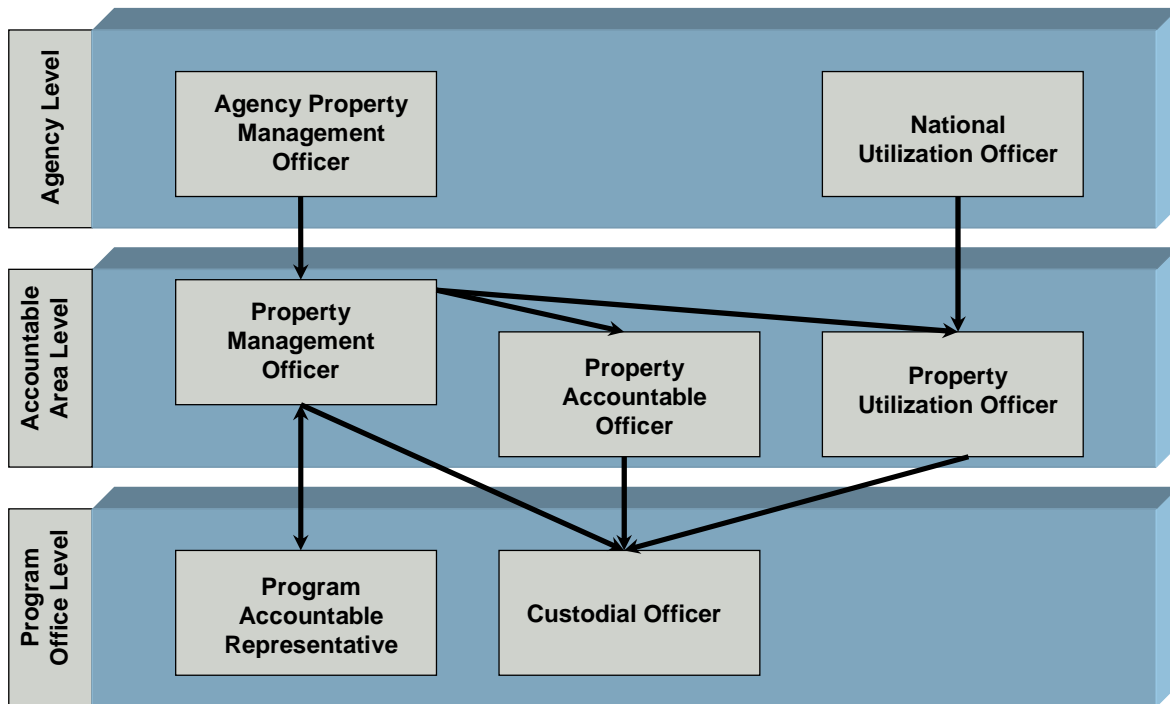
L/I NO.	IDENTIFICATION NUMBER(S)	DESCRIPTION	DEMIL. CODE	COND. CODE	QUANTITY AND UNIT	ACQUISITION COST	
						UNIT	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

f. DATE
---------

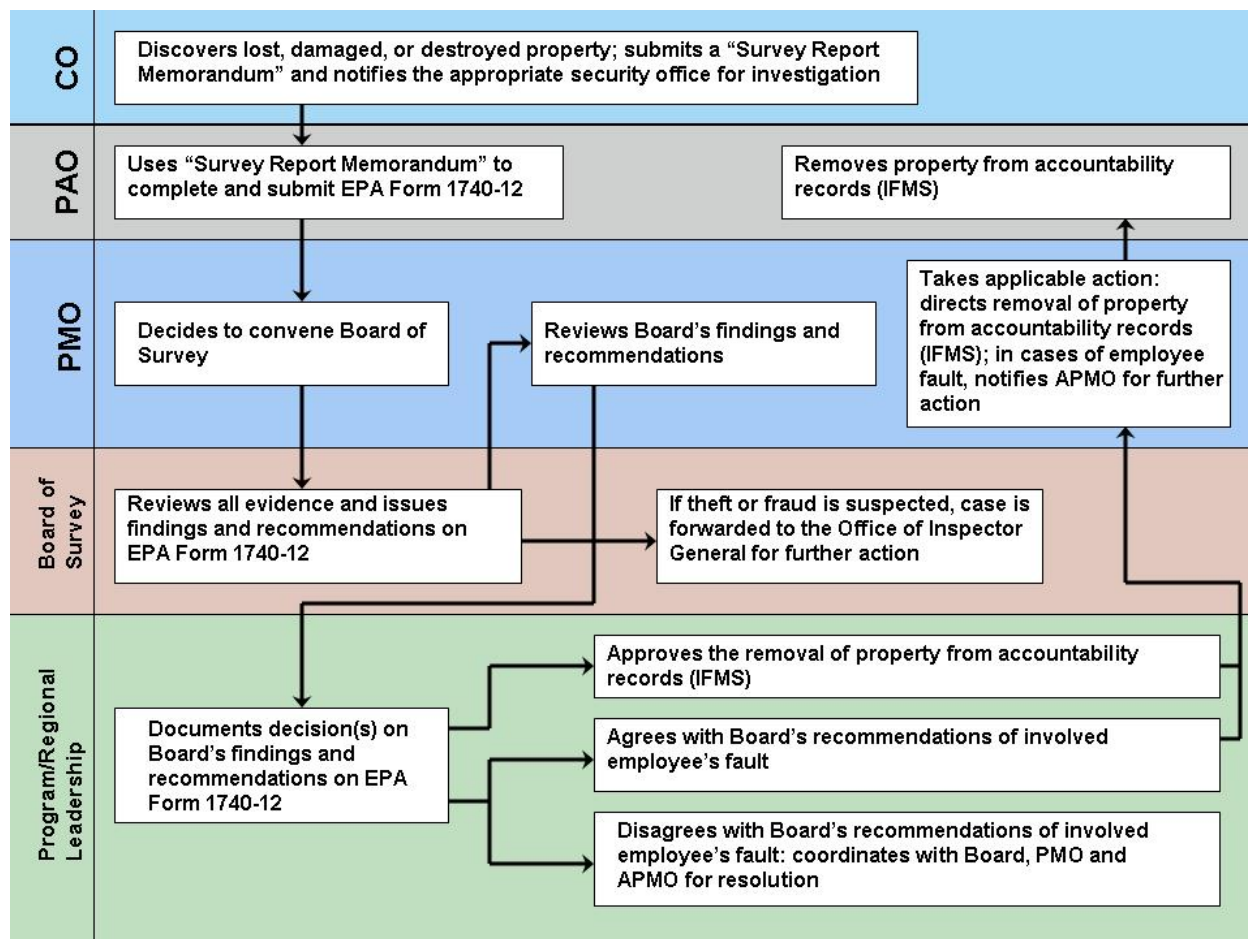
**STANDARD FORM 123** (Rev. 6-82)  
Prescribed by GSA FPMR (41 CFR) 101-44.110

**APPENDIX F – ORGANIZATIONAL CHARTS AND PROCESS MAPS****EPA Organizational Chart for Property Management**

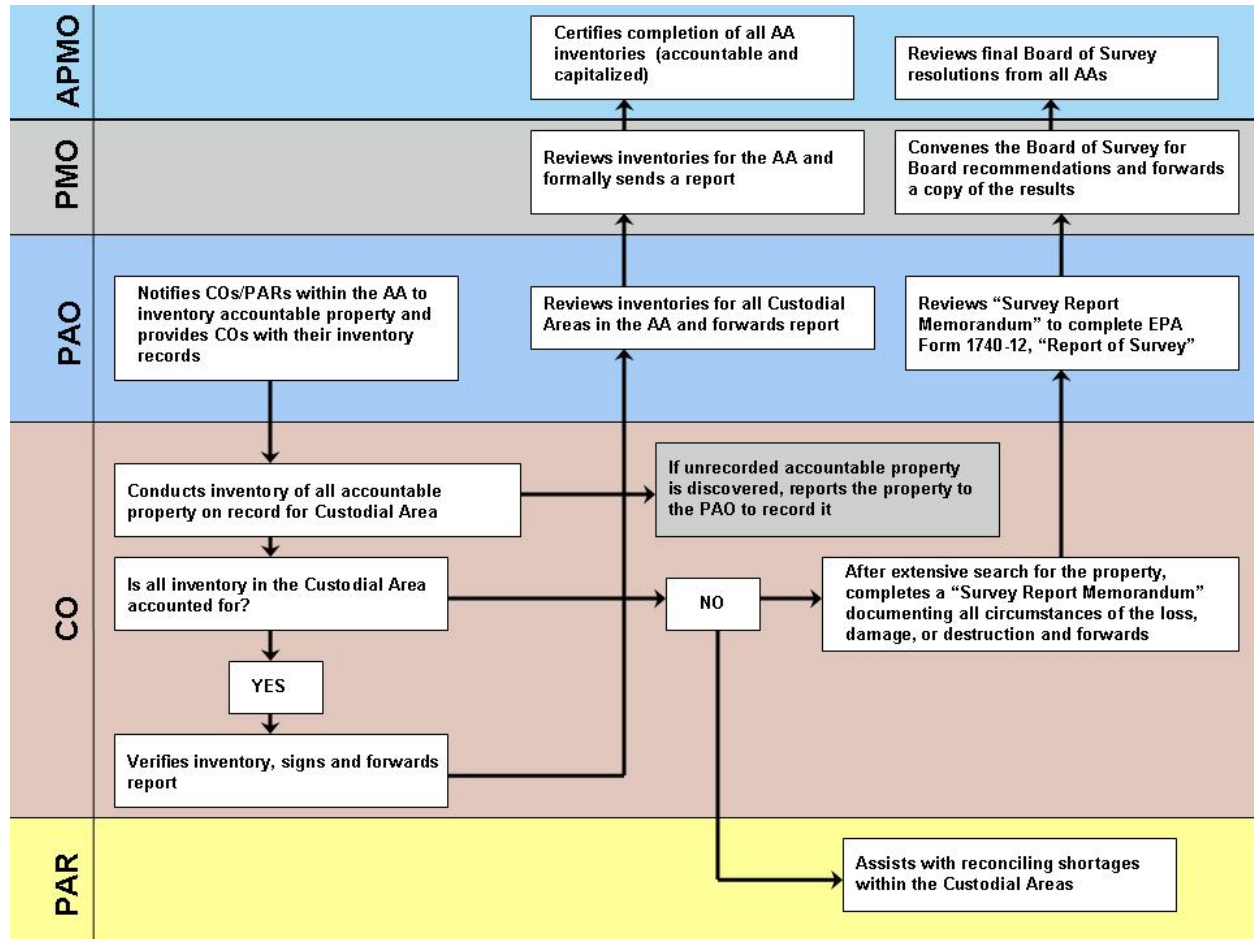
# EPA Personal Property Management Program Organizational Chart



## Board of Survey Process Map



# Physical Inventory Process Map



Task Order #54: DataLogger purchase request  
Analysis of Economic Benefit of Purchase of Data Loggers

	Current Contract Estimated cost for rental	Future Contract Estimated cost for purchase	Total
Cost to Install	\$3,120	\$3,120	\$6,240
Rental Cost (2mos plus G&A)	\$7,027	\$23,502	\$30,529
Cost to remove	\$3,120	\$0	\$3,120
Total Cost	\$13,267	\$26,622	\$39,889

Cost to purchase equipment

Cost	\$17,302	Estimated cost in memo which does not
tax estimated	\$1,500	
shipping estimated	\$1,200	
markup estimated	\$3,500	(18.3% in 2012 rates)
	\$23,502	Estimated cost in work plan

Estimated to install - 24 hours

Estimated to remove - 24 hours

Option 1:

\$13,267 Rent now due to contract expiring for 2 months to gather fall storm informati  
\$26,622 Purchase under new contract vehicle in February to install for 1 year to gather  
(Cost for rental for 1 year would be \$42K compared to \$23.5K to purchase.)  
\$39,889

Option 2:

\$26,622 Purchase now and move to new contract vehicle as government property  
(Note - no removal is needed as will be removed as part of remedial effort to c  
\$13,267 Savings to the government  
50% as a percentage of cost

Option 3:

\$26,622 Purchase now and move to new contract vehicle as government property  
\$3,500 less markup estimate  
  
\$23,122  
  
\$16,767 Savings to the government  
73% as a percentage of cost



Current contract
Estimated cost
for purchase
\$3,120
\$23,502
\$0
\$26,622

: include tax, shipping, or markup

on  
· spring and fall storm information

divert the stream.)



## Memorandum

*To: Tamara Langton, EPA Task Order Project Officer  
Elizabeth Pendleton, EPA Project Officer*

*From: Greg Stuesse, CDM Smith Project Manager*

*CC: Pam Philip, CDM Smith Program Manager  
Dominic Giaudrone, CDM Smith Project Engineer*

*Date: October 18, 2013*

*Subject: Cost Analysis of the Rental vs. Purchase of Water Level Logging Equipment*

*Project: Hamilton Labree Pre-Remedial Design Investigation*

*Contract: 68-S7-03-04, Task Order 054*

The following equipment is recommended for installation at the Hamilton Labree Site (OU1) to obtain hydraulic head data in Berwick Creek, as well as in the upper and lower zone of the shallow aquifer. Obtaining hydraulic data for a minimum of one year will provide the information needed to evaluate how horizontal and vertical hydraulic gradients may vary seasonally between shallow groundwater and Berwick Creek surface water, as well as in the upper and lower zone of the shallow aquifer at OU1.

**Equipment:** In-Situ Level Troll Pressure Transducers and Associated Equipment

**Vendors Considered:** Pine Environmental Services (rental); Geotech Environmental Equipment (purchase); In-Situ Inc. (purchase)

*Equipment manufactured by In-Situ Inc:*

- 8 Level Troll 500 gauged transducers rated for 5 psi
- 2 Level Troll 700 gauged transducers rated for 15 psi
- 10 – 25/ft vented poly cable, no spool
- 1 – USB Troll Com Cable
- 10 – Large desiccants (rechargeable) with titanium twist lock connectors

*Rental of Equipment*

The rental rate from Pine Environmental Services is \$297 per month per unit for a total of \$2970 per month.



### Purchase of Equipment

The price to purchase the above equipment from Geotech Environmental Equipment would be \$17,302 not including shipping, applicable sales tax, or markup. The quote for purchasing this equipment for In-Situ Inc. was approximately \$175 higher.

### Time to "Break-Even"

Comparing the rental quote from Pine at \$2970 per month to the purchase price from Geotech at \$17,302 the "break-even" is approximately 6 months.

### Conclusions

Assuming installation in November 2013, the "break-even" point of 6 months would occur in May 2014. Given that the "break-even" point of 6 months is significantly shorter than the expected useful life of the dataloggers and the one year data collection period needed for this project, it is significantly more cost effective to purchase the dataloggers than to rent them for this installation. There is negligible risk associated with purchase of the equipment vs. rental because the warranty coverage is 24 months (4 times longer than the time to break even). Furthermore, the dataloggers will continue to provide valuable hydraulic data throughout the remedial action, until the end of their useful life, well beyond the period of performance of this contract.

**Stuesse, Gregory L.**

---

**From:** Jusayan, Mark A.  
**Sent:** Thursday, October 03, 2013 12:38 PM  
**To:** Stuesse, Gregory L.; Giaudrone, Dominic  
**Subject:** FW: Quotation Request for In-Situ rentals

FYI, here are Pine's rates for renting the In-Situ data logger products on a daily, weekly and monthly rate.

---

**From:** Jordan Pepitone [<mailto:jpepitone@pine-environmental.com>]  
**Sent:** Thursday, October 03, 2013 6:06 AM  
**To:** Jusayan, Mark A.  
**Subject:** RE: Quotation Request for In-Situ rentals

The following the pricing that you requested with your company's discount included...

- In-Situ Level TROLL 700 @ 15 PSI range (RWSA30500-15) \$38.25/Day, \$101.25/Week, and \$297.50/Month
- In-Situ Level TROLL 700 @ 5 PSI range (RWSA30500-5) \$38.25/Day, \$101.25/Week, and \$297.50/Month
- 25-ft In-Situ Rugged Twist-Lock Cables (No reel, vented) (RWSA30501-25) Included w/ rental
- In-Situ TROLL COM USB cable connector with software (RWSA30505) Included w/ rental
- In-Situ Rugged Reader unit (RWSA30240) \$11.25/Day, \$45/Week, and \$135/Month

Pricing is per unit. Please let me know if there is anything else I can do for you.

Thank you,

**JORDAN PEPITONE**

**PINE ENVIRONMENTAL SERVICES LLC**

**WINDSOR INDUSTRIAL PARK**  
**92 NORTH MAIN ST, BLDG 20**  
**WINDSOR, NJ**  
**PHONE: (800) 301-9663 EXT- 232**  
**EMAIL - [JPEPITONE@PINE-ENVIRONMENTAL.COM](mailto:jpepitone@pine-environmental.com)**

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**From:** Jusayan, Mark A. [<mailto:jusayanma@cdmsmith.com>]  
**Sent:** Wednesday, October 02, 2013 4:19 PM  
**To:** Jordan Pepitone  
**Subject:** Quotation Request for In-Situ rentals

Hi Joe,

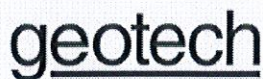
Per our phone conversation I would like to request a quotation on a daily, weekly and monthly basis for the following line items:

- 2 x In-Situ Level TROLL 700 @ 15 PSI range
- 8 x In-Situ Level TROLL 700 @ 5 PSI range
- 10 x 25-ft In-Situ Rugged Twist-Lock Cables (No reel, vented)

- 1 x In-Situ TROLL COM USB cable connector with software
- 1 x In-Situ Rugged Reader unit

Please be advised that CDM Smith/CDM Federal Programs has a rental agreement with Pine Environmental that includes special rates for our company. We would like this quotation back ASAP if possible as it has been a week since my initial email requesting a quote. Thank you.

Regards,  
Mark Jusayan  
CDM Smith  
14432 SE Eastgate Way, Suite 100  
Bellevue, WA 98007  
P: 425.519.8300  
C: 206.375.4066



Geotech Environmental Equipment, Inc.  
2650 East 40th Avenue

Denver, CO 80205  
Phone 303.320.4764  
Fax 303.322.7242

sales@geotechenv.com www.geotechenv.com

## Quotation

Quote No: 09844038  
Quote Date: 09/24/2013  
Customer No: 000000480004  
Salesperson No: 001 JAY TIKALSKY  
Account Terms: 1%-10/NET45  
Payment Method: CC  
Placed By: Mark Jusayan

Bill To: CDM  
ATTN: A.P. \*  
14432 SE EASTGATE WY SUITE 100  
BELLEVUE, WA 98007-6493  
UNITED STATES OF AMERICA

Ship To: CDM  
14432 SE EASTGATE WY SUITE 100  
BELLEVUE, WA 98007-6493  
UNITED STATES OF AMERICA

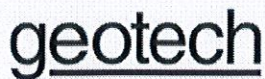
Phone No: (425) 519-8300 Ext No:

Shipping Date	Ship Via	Bill Frt Carrier #	Location
01-01-1980	UPS GROUND		CO

### Shipping Instructions

(425) 519-8300

Line No.	Item No.	Item Description	UOM	Quantity Ordered	Unit Price	Amount
1	72050512	LEVELTROLL 700,15 PSIG 0089120,VENTED	EA	2.00	\$1,304.13	\$2,608.26
2	72050566	LEVELTROLL,500,5 PSIG 0089000,VENTED	EA	8.00	\$1,017.90	\$8,143.20
3	72050533	LEVELTROLL CABLE,RUGGED TWIST- LOCK,NO CABLE,0052000-	EA	10.00	\$314.94	\$3,149.40
4	72050532	CABLE,POLY,VENTED,NO SPOOL 0052000-01	FT	<del>80.00</del> <sup>250</sup>	\$2.39	<del>\$191.40</del> <sup>597.50</sup>
<del>(10) 8' CABLE ASSEMBLIES</del> Assume 10 25-FT cables						
5	12050535	COM CABLE,USB/485,LEVELTROLL 0052500	EA	1.00	\$420.21	\$420.21
7	72050543	DESSICANT,REFILL,LARGE 0029140	EA	10.00	\$11.31	\$113.10
9	12050588	WELL CAP,2".LOCKING,VENTED 0020370	EA	10.00	\$44.37	\$443.70
10	*IN-SITU	XL DESSICANT, TI CONNECTOR 0090420	EA	10.00	\$164.43	\$1,644.30
11	*IN-SITU	WELL DOCK, 2", NO SLEEVE	EA	10.00	\$18.27	\$182.70
12	*RENTAL-METERS	RUGGED READER, PER WEEK	EA	1.00	\$120.00	\$120.00



Geotech Environmental Equipment, Inc.  
2650 East 40th Avenue

Denver, CO 80205  
Phone 303.320.4764  
Fax 303.322.7242  
sales@geotechenv.com www.geotechenv.com

## Quotation

Quote No: 09844038  
Quote Date: 09/24/2013  
Customer No: 000000480004  
Salesperson No: 001 JAY TIKALSKY  
Account Terms: 1%-10/NET45  
Payment Method: CC  
Placed By: Mark Jusayan

Bill To: CDM  
ATTN: A.P. \*  
14432 SE EASTGATE WY SUITE 100  
BELLEVUE, WA 98007-6493  
UNITED STATES OF AMERICA

Ship To: CDM  
14432 SE EASTGATE WY SUITE 100  
BELLEVUE, WA 98007-6493  
UNITED STATES OF AMERICA

Phone No: (425) 519-8300 Ext No:

Shipping Date	Ship Via	Bill Frt Carrier #	Location
01-01-1980	UPS GROUND		CO

### Shipping Instructions

(425) 519-8300

Line No.	Item No.	Item Description	UOM	Quantity Ordered	Unit Price	Amount
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### Special Instructions:

Quote Total Does Not Include Taxes or Shipping/Handling.  
Page 2 of 2

Gross Amount

~~\$17,016.27~~

**\$17,302.37**

# THREE YEAR COST ANALYSIS

## *COST OF LEASING v. OWNING A VEHICLE (Dodge 4x4 1/2 Ton)*

### **Leasing:**

Lease Payment	\$13,983
Residual Value	
Insurance	\$ 110
State Fees	\$ 60
Fuel	\$ 1,954
Maintenance	\$ 418
Repairs	\$ 120
Overhead	<u>\$ 455</u>
	\$17,100

### **Owning:**

Purchase Price	\$22,000
Residual Value	\$19,000
Insurance	\$ 110
State Fees	\$ 60
Fuel	\$ 1,954
Maintenance	\$ 418
Repairs	\$ 120
Overhead	\$ 455
Sell Costs/Effort	<u>\$ 1,000</u>
	\$ 7,117



PO Tip Equipment Prior Approval.pdf

## Project Officer TIP Prior Approval for Equipment

### **Equipment purchases require the written prior approval of the EPA Award Official.**

Equipment is a single item with an acquisition cost of \$5000 or more with a useful life of more than one year. Prior means BEFORE the costs are incurred, and written means the signed assistance agreement or assistance amendment approving the equipment.

Usually equipment items are included in the original assistance application budget and approved upon initial award of the assistance agreement. Due to unanticipated circumstances, a recipient may need to request an equipment purchase after the assistance agreement has been awarded. The approval is accomplished through a formal grant amendment which includes a new condition for disposition of the equipment. Grantees should not proceed with equipment purchases until this grant amendment is received or the costs could be disallowed.

If additional funding is not being added to the agreement for the equipment purchase and the existing budget is therefore being revised, the prior approval can be requested by letter and should include a revised SF 424A showing the budget revisions. The letter should include the following:

- List of each equipment item, cost, and justification of need
- Estimated cost of each item
- Lease versus purchase analysis
- Justification of the need for each item (why needed to accomplish Workplan)
- Requested disposition of the equipment and justification
- Explanation of budget and Workplan revisions in order to be able to purchase the equipment

The above information may be submitted to EPA electronically. The request should be submitted to the EPA Project Officer with a “cc” to the Grants Specialist.

Project Officers are not authorized to give verbal or written approval for equipment to recipients. Project Officers should create a Change Request in IGMS and if the grantee’s request was submitted electronically, the PO may attach that submission to the Change Request. Otherwise a hard copy must be provided to the Grants Specialist. The Grants Unit will review and process the request, and the Award Official will either sign a grant amendment approving the equipment purchase or notify the recipient of a disapproval.

Equipment purchased near the end of a grant period is often a “red flag” to auditors and inspectors. Requests will be handled on a case-by-case basis, but generally for project grants, untimely requests will not be approved. In any case, equipment should not be purchased simply to expend the grant funds.

Further information on disposition options can be found at:  
<http://intranet.epa.gov/ogd/policy/7.0-GPI-GPI-02-02.htm>

## Purchasing Equipment via Superfund Cooperative Agreement

### Per 40 CFR Part 35, Subpart O and 40 CFR Part 31

#### Definitions

*Government* means a State or local government or a federally recognized Indian tribal government.

*State* means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

*Federally recognized Indian tribal government* means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs. *Indian Tribe*, as defined by section 101(36) of CERCLA, is any Indian Tribe, band, nation, or other organized group or community, including any Alaska Native village but not including any Alaska Native regional or village corporation, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. For the purposes of this subpart, the term, "Indian Tribe," includes an intertribal consortium consisting of two or more federally recognized Tribes.

*Equipment* means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

#### Personal Property Requirements

##### **§35.6300 General personal property acquisition and use requirements.**

###### *(a) General.*

- (1) Property may be acquired only when authorized in the Cooperative Agreement.
- (2) The recipient must acquire the property during the approved project period.
- (3) The recipient must:
  - (i) Charge property costs by site, activity, and operable unit, as applicable;
  - (ii) Document the use of the property by site, activity, and operable unit, as applicable; and
  - (iii) Solicit and follow EPA's instructions on the disposal of any property purchased with CERCLA funds as specified in §§35.6340 and 35.6345.

*(b) Exception.* The recipient is not required to charge property costs by site under a pre-remedial or Core Program Cooperative Agreement.

##### **§35.6310 Obtaining equipment.**

To obtain equipment, the recipient must agree to comply with the requirements in §§35.6300 and 35.6315 through 35.6350.

### **§35.6315 Alternative methods for obtaining property.**

(a) *Purchase equipment with recipient funds.* The recipient may purchase equipment with the recipient's own funds and may charge EPA a fee for using equipment on a CERCLA-funded project. The fee must be based on a usage rate, subject to the usage rate requirements in §35.6320.

(b) *Borrow federally owned property.* The recipient may borrow federally owned property, with the exception of motor vehicles, for use on CERCLA-funded projects. The loan of the federally owned property may only extend through the project period. At the end of the project period, or when the federally owned property is no longer needed for the project, the recipient must return the property to the Federal Government.

(c) *Lease, use contractor services, or purchase with CERCLA funds.* To acquire equipment through lease, use of contractor services, or purchase with CERCLA funds, the recipient must conduct and document a cost comparison analysis to determine which of these methods of obtaining equipment is the most cost effective. In order to obtain the equipment, the recipient must submit documentation of the cost comparison analysis to EPA for approval. The recipient must obtain the equipment through the most cost-effective method, subject to the following requirements:

(1) *Lease or rent equipment.* If it is the most cost-effective method of acquisition, the recipient may lease or rent equipment, subject only to the requirements in §35.6300.

(2) *Use contractor services.*

(i) If it is the most cost-effective method of acquisition, the recipient may hire the services of a contractor.

(ii) The recipient must obtain award official approval before authorizing the contractor to purchase equipment with CERCLA funds. (See §35.6325, regarding the title and vested interest of equipment purchased with CERCLA funds.) This does not apply for recipients who have used the sealed bids method of procurement.

(iii) The recipient must require the contractor to allocate the cost of the contractor services by site, activity, and operable unit, as applicable.

3) *Purchase equipment with CERCLA funds.* If equipment purchase is the most cost-effective method of obtaining the equipment, the recipient may purchase the equipment with CERCLA funds. To purchase equipment with CERCLA funds, the recipient must comply with the following requirements:

(i) The recipient must include in the Cooperative Agreement application a list of all items of equipment to be purchased with CERCLA funds, with the price of each item.

(ii) If the equipment is to be used on sites, the recipient must allocate the cost of the equipment by site, activity, and operable unit, as applicable, by applying a usage rate subject to the usage rate requirements in §35.6320.

(iii) The recipient may not use CERCLA funds to purchase a transportable or mobile treatment system.

(iv) Equipment obtained with Core Program funds must be for non-site-specific purposes. All purchases of equipment must comply with the requirements in §§35.6300, and 35.6310 through 35.6350, except where these requirements are site-specific.

### **§35.6320 Usage rate.**

(a) *Usage rate approval.* To charge EPA a fee for use of equipment purchased with recipient funds or to allocate the cost of equipment by site, activity, and operable unit, as applicable, the recipient must apply a usage rate. The recipient must submit documentation of the usage rate computation to EPA. The EPA-approved usage rate must be included in the Cooperative Agreement before the recipient incurs these equipment costs.

(b) *Usage rate application.* The recipient must record the use of the equipment by site, activity, and operable unit, as applicable, and must apply the usage rate to calculate equipment charges by site, activity, and operable unit, as applicable. For Core Program and pre-remedial activities, the recipient is not required to apply a usage rate.

Purchasing Equipment Including Vehicles.docx

### **§35.6325 Title and EPA interest in CERCLA-funded property.**

(a) *EPA's interest in CERCLA-funded property.* EPA has an interest (the percentage of EPA's participation in the total award) in both equipment and supplies purchased with CERCLA funds.

(b) *Title in CERCLA-funded property.* Title in both equipment and supplies purchased with CERCLA funds vests in the recipient.

(1) *Right to transfer title.* EPA retains the right to transfer title of all property purchased with CERCLA funds to the Federal Government or a third party within 120 calendar days after project completion or at the time of disposal.

(2) *Equipment used as all or part of the remedy.* The following requirements apply to equipment used as all or part of the remedy:

(i) *Fixed in-place equipment.* EPA no longer has an interest in fixed in-place equipment once the equipment is installed.

(ii) *Equipment that is an integral part of services to individuals.* EPA no longer has an interest in equipment that is an integral part of services to individuals, such as pipes, lines, or pumps providing hookups for homeowners on an existing water distribution system, once EPA certifies that the remedy is operational and functional.

### **§35.6335 Property management standards.**

The recipient must comply with the following property management standards for property purchased with CERCLA funds. The recipient may use its own property management system if it meets the following standards.

(a) *Control.* The recipient must maintain:

(1) *Property records* for CERCLA-funded property which include the contents specified in §35.6700(c);

(2) *A control system* that ensures adequate safeguards for prevention of loss, damage, or theft of the property. The recipient must make provisions for the thorough investigation and documentation of any loss, damage, or theft;

(3) *Procedures* to ensure maintenance of the property are in good condition and periodic calibration of the instruments used for precision measurements;

(4) *Sales procedures* to ensure the highest possible return, if the recipient is authorized to sell the property;

(5) *Provisions for financial control and accounting* in the financial management system of all equipment; and

(6) *Identification* of all federally owned property.

(b) *Inventory and reporting for CERCLA-funded equipment—*

(1) *Physical inventory.* The recipient must conduct a physical inventory at least once every two years for all equipment except that which is part of the in-place remedy. The recipient must reconcile physical inventory results with the equipment records.

(2) *Inventory reports.* The recipient must comply with requirements for inventory reports set forth in §35.6660.

(c) *Inventory and reporting for federally owned property—*(1) *Physical inventory.* The recipient must conduct a physical inventory:

(i) Annually;

(ii) When the property is no longer needed; and

(iii) Within 90 days after the end of the project period.

(2) *Inventory reports.* The recipient must comply with requirements for inventory reports in §35.6660.

### **§35.6340 Disposal of CERCLA-funded property.**

(a) *Equipment.* For equipment that is no longer needed, or at the end of the project period, whichever is earlier, the recipient must:

(1) Analyze two alternatives: The cost of leaving the equipment in place, and the cost of removing the equipment and disposing of it in another manner.

(2) Document the analysis of the two alternatives in the inventory report. See §35.6660 regarding requirements for the inventory report.

(i) If it is most cost-effective to remove the equipment and dispose of it in another manner:

(A) If the equipment has a residual fair market value of \$5,000 or more, the recipient must request disposition instructions from EPA in the inventory report. See §35.6345 for equipment disposal options.

(B) If the equipment has a residual fair market value of less than \$5,000, the recipient may retain the equipment for the recipient's use on another CERCLA site. If, however, there is any remaining residual value at the time of final disposition, the recipient must reimburse the Hazardous Substance Superfund for EPA's vested interest in the current fair market value of the equipment at the time of disposition.

(ii) If it is most cost-effective to leave the equipment in place, recommend in the inventory report that the equipment be left in place.

(3) Submit the inventory report to EPA, even if EPA has stopped supporting the project.

### **§35.6345 Equipment disposal options.**

The following disposal options are available:

(a) Use the equipment on another CERCLA project and reimburse the original project for the fair market value of the equipment;

(b) If both the recipient and EPA concur, keep the equipment and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the equipment;

(c) Sell the equipment and reimburse the Hazardous Substance Superfund for EPA's interest in the current fair market value of the equipment, less any reasonable selling expenses; or

(d) Return the equipment to EPA and, if applicable, EPA will reimburse the recipient for the recipient's proportionate share in the current fair market value of the equipment.

### **§35.6550 Procurement system standards. (Most of the below applies to contracts, but some of the same principles apply to purchasing personal property (equipment and supplies).)**

(a) *Recipient standards.*

(1) In addition to the basic procurement policies and procedures described in 40 CFR 31.36(a), the State shall comply with the requirements in the following: Paragraphs (a)(5), (a)(9), and (b) of this section, §§35.6555(c), 35.6565 (the first sentence in this section, the first sentence in paragraph (b) of this section, and all of paragraph (d) of this section), 35.6570, 35.6575, and 35.6600. **Political subdivisions and Tribes must follow all of the requirements included or referenced in this section through §35.6610.**

(2) *EPA review.* EPA reserves the right to review any recipient's procurement system or procurement action under a Cooperative Agreement.

(3) *Code of conduct.* The recipient must comply with the requirements of 40 CFR 31.36(b)(3), which describes standards of conduct for employees, officers, and agents of the recipient.

(4) *Completion of contractual and administrative issues.*

(i) The recipient is responsible for the settlement and satisfactory completion in accordance with sound business judgment and good administrative practice of all contractual and administrative issues arising out of procurements under the Cooperative Agreement.

(ii) EPA will not substitute its judgment for that of the recipient unless the matter is primarily a Federal concern.

(iii) Violations of law will be referred to the local, State, Tribal, or Federal authority having proper jurisdiction.

(5) *Selection procedures.* The recipient must have written selection procedures for procurement transactions.

(i) EPA may not participate in a recipient's selection panel except to provide technical assistance. EPA staff providing such technical assistance:

(A) Shall constitute a minority of the selection panel (limited to making recommendations on qualified offers and acceptable proposals based on published evaluation criteria) for the contractor selection process; and

(B) Are not permitted to participate in the negotiation and award of contracts.

(ii) When selecting a contractor, recipients:

(A) May not use EPA contractors to provide any support related to procuring a State contractor.

(B) May use the Corps of Engineers for review of State bidding documents, requests for proposals and bids and proposals received.

(6) *Award.* The recipient may award a contract only to a responsible contractor, as described in 40 CFR 31.36(b)(8), and must ensure that each contractor performs in accordance with all the provisions of the contract. (See also §35.6020.)

(7) *Protest procedures.* The recipient must comply with the requirements described in 40 CFR 31.36(b)(12) regarding protest procedures.

(8) [Reserved]

(9) *Intergovernmental agreements.* (i) To foster greater economy and efficiency, recipients are encouraged to enter into intergovernmental agreements for procurement or use of common goods and services.

(ii) Although intergovernmental agreements are not subject to the requirements set forth in this section through §35.6610, all procurements under intergovernmental agreements are subject to these requirements except for procurements that are:

(A) Incidental to the purpose of the assistance agreement; and

(B) Made through a central public procurement unit.

(10) *Value engineering.* The recipient is encouraged to include value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

(b) *Contractor standards—*

(1) *Disclosure requirements regarding Potentially Responsible Party relationships.* The recipient must require each prospective contractor to provide with its bid or proposal:

(i) Information on its financial and business relationship with all PRPs at the site and with the contractor's parent companies, subsidiaries, affiliates, subcontractors, or current clients at the site. Prospective contractors under a Core Program Cooperative Agreement must provide comparable information for all sites within the recipient's jurisdiction. (This disclosure requirement encompasses past financial and business relationships, including services related to any proposed or pending litigation, with such parties);

(ii) Certification that, to the best of its knowledge and belief, it has disclosed such information or no such information exists; and

(iii) A statement that it shall disclose immediately any such information discovered after submission of its bid or proposal or after award. The recipient shall evaluate such information and if a member of the contract team has a conflict of interest which prevents the team from serving the best interests of the recipient, the prospective contractor may be declared nonresponsible and the contract awarded to the next eligible bidder or offeror.

(2) *Conflict of interest*—

(i) *Conflict of interest notification.* The recipient must require the contractor to notify the recipient of any actual, apparent, or potential conflict of interest regarding any individual working on a contract assignment or having access to information regarding the contract. This notification shall include both organizational conflicts of interest and personal conflicts of interest. If a personal conflict of interest exists, the individual who is affected shall be disqualified from taking part in any way in the performance of the assigned work that created the conflict of interest situation.

(ii) *Contract provisions.* The recipient must incorporate the following provisions or their equivalents into all contracts, except those for well-drilling, fence erecting, plumbing, utility hook-ups, security guard services, or electrical services:

(A) *Contractor data.* The contractor shall not provide data generated or otherwise obtained in the performance of contractor responsibilities under a contract to any party other than the recipient, EPA, or its authorized agents for the life of the contract, and for a period of five years after completion of the contract.

(B) *Employment.* The contractor shall not accept employment from any party other than the recipient or Federal agencies for work directly related to the site(s) covered under the contract for five years after the contract has terminated. The recipient agency may exempt the contractor from this requirement through a written release. This release must include EPA concurrence.

(3) *Certification of independent price determination.* The recipient must require that each contractor include in its bid or proposal a certification of independent price determination. This document certifies that no collusion, as defined by Federal and State antitrust laws, occurred during bid preparation.

(4) *Recipient's Contractors.* The recipient must require its contractor to comply with the requirements in §§35.6270(a)(1) and (2); 35.6320 (a) and (b); 35.6335; 35.6700; and 35.6705. For additional contractor requirements, see also §35.6710(c); 35.6590(b); and 35.6610.

**§35.6660 Property inventory reports.**

(a) *CERCLA-funded property*—

(1) *Content.* The report must contain the following information:

(i) Classification and value of remaining supplies;

(ii) Description of all equipment purchased with CERCLA funds, including its current condition;

(iii) Verification of the current use and continued need for the equipment by site, activity, and operable unit, as applicable;

(iv) Notification of any property which has been stolen or vandalized; and

(v) A request for disposition instructions for any equipment no longer needed on the project.

(2) *Reporting frequency.* The recipient must submit an inventory report to EPA at the following times:

(i) Within 90 days after completing any CERCLA-funded project or any response activity at a site; and

(ii) When the equipment is no longer needed for any CERCLA-funded project or any response activity at a site.

**FYI - The below section is referenced frequently under the Superfund requirements for procurement. As with the Superfund requirement, most of this applies to contracts for services, but some of the principles apply to procurement of property, i.e., equipment and supplies). Here is an excerpt from 40 Part 31.36 ...**

**§31.36 Procurement.**

(a) *States.* When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. **Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.**

(b) *Procurement standards.*

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal law, the standards identified in this section, and if applicable, §31.38.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

**(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.**

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.



(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) *Competition.*

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of §31.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(5) Construction grants awarded under Title II of the Clean Water Act are subject to the following "Buy American" requirements in paragraphs (c)(5) (i)-(iii) of this section. Section 215 of the Clean Water Act requires that contractors give preference to the use of domestic material in the construction of EPA-funded treatment works.

(i) Contractors must use domestic construction materials in preference to nondomestic material if it is priced no more than 6 percent higher than the bid or offered price of the nondomestic material, including all costs of delivery to the construction site and any applicable duty, whether or not assessed. The grantee will normally base the computations on prices and costs in effect on the date of opening bids or proposals.

(ii) The award official may waive the Buy American provision based on factors the award official considers relevant, including:

(A) Such use is not in the public interest;

(B) The cost is unreasonable;

(C) The Agency's available resources are not sufficient to implement the provision, subject to the Deputy Administrator's concurrence;

(D) The articles, materials or supplies of the class or kind to be used or the articles, materials or supplies from which they are manufactured are not mined, produced or manufactured in the United States in sufficient and reasonably available commercial quantities or satisfactory quality for the particular project; or

(E) Application of this provision is contrary to multilateral government procurement agreements, subject to the Deputy Administrator's concurrence.

(iii) All bidding documents, subagreements, and, if appropriate, requests for proposals must contain the following "Buy American" provision: In accordance with section 215 of the Clean Water Act (33 U.S.C. 1251 *et seq.*) and implementing EPA regulations, the contractor agrees that preference will be given to domestic construction materials by the contractor, subcontractors, materialmen and suppliers in the performance of this subagreement.

(d) *Methods of procurement to be followed—*

**(1) Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by *sealed bids* (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in 31.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

- (A) A complete, adequate, and realistic specification or purchase description is available;
- (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

- (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- (D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by *competitive proposals*. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;
- (iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
- (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- (v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by *noncompetitive proposals* is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- (A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) [Reserved]

(f) *Contract cost and price.*

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see §31.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) *Awarding agency review.*

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a “brand name” product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) *Bonding requirements.*

For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) *A performance bond on the part of the contractor for 100 percent of the contract price.* A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) *A payment bond on the part of the contractor for 100 percent of the contract price.* A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) *Contract provisions.*

A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)